

115TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
115-661

AGRICULTURE AND NUTRITION ACT OF 2018

R E P O R T

OF THE

COMMITTEE ON AGRICULTURE

TOGETHER WITH

DISSENTING VIEWS

[TO ACCOMPANY H.R. 2]

[Including cost estimate of the Congressional Budget Office]



MAY 3, 2018.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

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AGRICULTURE AND NUTRITION ACT OF 2018

MAY 3, 2018.—Committed to the Committee of the Whole House on the State of the
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Mr. CONAWAY, from the Committee on Agriculture,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 2]

[Including cost estimate of the Congressional Budget Office]

The Committee on Agriculture, to whom was referred the bill (H.R. 2) to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2023, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Agriculture and Nutrition Act of 2018”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Secretary of Agriculture.

TITLE I—COMMODITIES

Subtitle A—Commodity Policy

Sec. 1111. Definitions.
Sec. 1112. Base acres.
Sec. 1113. Payment yields.
Sec. 1114. Payment acres.
Sec. 1115. Producer election.
Sec. 1116. Price loss coverage.
Sec. 1117. Agriculture risk coverage.
Sec. 1118. Producer agreements.

Subtitle B—Marketing Loans

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.

- Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
- Sec. 1203. Term of loans.
- Sec. 1204. Repayment of loans.
- Sec. 1205. Loan deficiency payments.
- Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
- Sec. 1207. Special marketing loan provisions for upland cotton.
- Sec. 1208. Special competitive provisions for extra long staple cotton.
- Sec. 1209. Availability of recourse loans.
- Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

- Sec. 1301. Sugar policy.

Subtitle D—Dairy Risk Management Program and Other Dairy Programs

- Sec. 1401. Dairy risk management program for dairy producers.
- Sec. 1402. Class I skim milk price.
- Sec. 1403. Extension of dairy forward pricing program.
- Sec. 1404. Extension of dairy indemnity program.
- Sec. 1405. Extension of dairy promotion and research program.
- Sec. 1406. Repeal of dairy product donation program.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

- Sec. 1501. Modification of supplemental agricultural disaster assistance.

Subtitle F—Administration

- Sec. 1601. Administration generally.
- Sec. 1602. Suspension of permanent price support authority.
- Sec. 1603. Payment limitations.
- Sec. 1604. Adjusted gross income limitation.
- Sec. 1605. Prevention of deceased individuals receiving payments under farm commodity programs.
- Sec. 1606. Assignment of payments.
- Sec. 1607. Tracking of benefits.
- Sec. 1608. Signature authority.
- Sec. 1609. Personal liability of producers for deficiencies.
- Sec. 1610. Implementation.
- Sec. 1611. Exemption from certain reporting requirements for certain producers.

TITLE II—CONSERVATION

Subtitle A—Wetland Conservation

- Sec. 2101. Program ineligibility.
- Sec. 2102. Minimal effect regulations.

Subtitle B—Conservation Reserve Program

- Sec. 2201. Conservation reserve.
- Sec. 2202. Farmable wetland program.
- Sec. 2203. Duties of owners and operators.
- Sec. 2204. Duties of the Secretary.
- Sec. 2205. Payments.
- Sec. 2206. Contracts.

Subtitle C—Environmental Quality Incentives Program

- Sec. 2301. Definitions.
- Sec. 2302. Establishment and administration.
- Sec. 2303. Limitation on payments.
- Sec. 2304. Conservation innovation grants and payments.

Subtitle D—Other Conservation Programs

- Sec. 2401. Conservation of private grazing land.
- Sec. 2402. Grassroots source water protection program.
- Sec. 2403. Voluntary public access and habitat incentive program.
- Sec. 2404. Watershed protection and flood prevention.
- Sec. 2405. Feral swine eradication and control pilot program.
- Sec. 2406. Emergency conservation program.

Subtitle E—Funding and Administration

- Sec. 2501. Commodity Credit Corporation.
- Sec. 2502. Delivery of technical assistance.
- Sec. 2503. Administrative requirements for conservation programs.
- Sec. 2504. Establishment of State technical committees.

Subtitle F—Agricultural Conservation Easement Program

- Sec. 2601. Establishment and purposes.
- Sec. 2602. Definitions.
- Sec. 2603. Agricultural land easements.
- Sec. 2604. Wetland reserve easements.
- Sec. 2605. Administration.

Subtitle G—Regional Conservation Partnership Program

- Sec. 2701. Definitions.
- Sec. 2702. Regional conservation partnerships.
- Sec. 2703. Assistance to producers.
- Sec. 2704. Funding.
- Sec. 2705. Administration.
- Sec. 2706. Critical conservation areas.

Subtitle H—Repeals and Transitional Provisions; Technical Amendments

- Sec. 2801. Repeal of conservation security and conservation stewardship programs.
- Sec. 2802. Repeal of terminal lakes assistance.
- Sec. 2803. Technical amendments.

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Subtitle A—Food for Peace Act

- Sec. 3001. Findings.
- Sec. 3002. Labeling requirements.
- Sec. 3003. Food aid quality assurance.
- Sec. 3004. Local sale and barter of commodities.
- Sec. 3005. Minimum levels of assistance.
- Sec. 3006. Extension of termination date of Food Aid Consultative Group.
- Sec. 3007. Issuance of regulations.
- Sec. 3008. Funding for program oversight, monitoring, and evaluation.
- Sec. 3009. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable pre-packaged foods.
- Sec. 3010. Consideration of impact of provision of agricultural commodities and other assistance on local farmers and economy.
- Sec. 3011. Prepositioning of agricultural commodities.
- Sec. 3012. Annual report regarding food aid programs and activities.
- Sec. 3013. Deadline for agreements to finance sales or to provide other assistance.
- Sec. 3014. Minimum level of nonemergency food assistance.
- Sec. 3015. Termination date for micronutrient fortification programs.
- Sec. 3016. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.

Subtitle B—Agricultural Trade Act of 1978

- Sec. 3101. Findings.
- Sec. 3102. Consolidation of current programs as new International Market Development Program.

Subtitle C—Other Agricultural Trade Laws

- Sec. 3201. Local and regional food aid procurement projects.
- Sec. 3202. Promotion of agricultural exports to emerging markets.
- Sec. 3203. Bill Emerson Humanitarian Trust Act.
- Sec. 3204. Food for Progress Act of 1985.
- Sec. 3205. McGovern-Dole International Food for Education and Child Nutrition Program.
- Sec. 3206. Cochran fellowship program.
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- Sec. 4001. Duplicative enrollment database.
- Sec. 4002. Retailer-funded incentives pilot.
- Sec. 4003. Gus Schumacher food insecurity nutrition incentive program.
- Sec. 4004. Re-evaluation of thrifty food plan.
- Sec. 4005. Food distribution programs on Indian reservations.
- Sec. 4006. Update to categorical eligibility.
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- Sec. 4008. Earned income deduction.
- Sec. 4009. Simplified homeless housing costs.
- Sec. 4010. Availability of standard utility allowances based on receipt of energy assistance.
- Sec. 4011. Child support; cooperation with child support agencies.
- Sec. 4012. Adjustment to asset limitations.
- Sec. 4013. Updated vehicle allowance.
- Sec. 4014. Savings excluded from assets.
- Sec. 4015. Workforce solutions.
- Sec. 4016. Modernization of electronic benefit transfer regulations.
- Sec. 4017. Mobile technologies.
- Sec. 4018. Processing fees.
- Sec. 4019. Replacement of EBT cards.
- Sec. 4020. Benefit recovery.
- Sec. 4021. Requirements for online acceptance of benefits.
- Sec. 4022. National gateway.
- Sec. 4023. Access to State systems.
- Sec. 4024. Transitional benefits.
- Sec. 4025. Incentivizing technology modernization.
- Sec. 4026. Supplemental nutrition assistance program benefit transfer transaction data report.
- Sec. 4027. Adjustment to percentage of recovered funds retained by States.
- Sec. 4028. Tolerance level for payment errors.
- Sec. 4029. State performance indicators.
- Sec. 4030. Public-private partnerships.
- Sec. 4031. Authorization of appropriations.
- Sec. 4032. Emergency food assistance.
- Sec. 4033. Nutrition education.
- Sec. 4034. Retail food store and recipient trafficking.
- Sec. 4035. Technical corrections.
- Sec. 4036. Implementation funds.

Subtitle B—Commodity Distribution Programs

- Sec. 4101. Commodity distribution program.
- Sec. 4102. Commodity supplemental food program.
- Sec. 4103. Distribution of surplus commodities to special nutrition projects.

Subtitle C—Miscellaneous

- Sec. 4201. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.

- Sec. 4202. Seniors farmers' market nutrition program.
- Sec. 4203. Healthy food financing initiative.
- Sec. 4204. Amendments to the fruit and vegetable program.

TITLE V—CREDIT

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- Sec. 5101. Modification of the 3-year experience eligibility requirement for farm ownership loans.
- Sec. 5102. Conservation loan and loan guarantee program.
- Sec. 5103. Farm ownership loan limits.

Subtitle B—Operating Loans

- Sec. 5201. Limitations on amount of operating loans.
- Sec. 5202. Microloans.

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- Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.
- Sec. 5302. Loan authorization levels.
- Sec. 5303. Loan fund set-asides.

Subtitle D—Technical Corrections to the Consolidated Farm and Rural Development Act

- Sec. 5401. Technical corrections to the Consolidated Farm and Rural Development Act.

Subtitle E—Amendments to the Farm Credit Act of 1971

- Sec. 5501. Elimination of obsolete references.
- Sec. 5502. Conforming repeals.
- Sec. 5503. Facility headquarters.
- Sec. 5504. Sharing privileged and confidential information.
- Sec. 5505. Scope of jurisdiction.
- Sec. 5506. Definition.
- Sec. 5507. Expansion of acreage exception to loan amount limitation.
- Sec. 5508. Compensation of bank directors.
- Sec. 5509. Prohibition on use of funds.

Subtitle F—Miscellaneous

- Sec. 5601. State agricultural mediation programs.
- Sec. 5602. Study on loan risk.

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- Sec. 6001. Prioritizing projects to meet health crises in rural America.
- Sec. 6002. Distance learning and telemedicine.
- Sec. 6003. Reauthorization of the Farm and Ranch Stress Assistance Network.
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Subtitle B—Connecting Rural Americans to High Speed Broadband

- Sec. 6101. Establishing forward-looking broadband standards.
- Sec. 6102. Incentives for hard to reach communities.
- Sec. 6103. Requiring guaranteed broadband lending.
- Sec. 6104. Smart utility authority for broadband.
- Sec. 6105. Modifications to the Rural Gigabit Program.
- Sec. 6106. Unified broadband reporting requirements.
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- Sec. 6108. Simplified application window.
- Sec. 6109. Elimination of requirement to give priority to certain applicants.
- Sec. 6110. Modification of buildout requirement.
- Sec. 6111. Improving borrower refinancing options.
- Sec. 6112. Elimination of unnecessary reporting requirements.
- Sec. 6113. Access to broadband telecommunications services in rural areas.
- Sec. 6114. Middle mile broadband infrastructure.
- Sec. 6115. Outdated broadband systems.
- Sec. 6116. Effective date.

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- Sec. 6201. Strengthening regional economic development incentives.
- Sec. 6202. Expanding access to credit for rural communities.
- Sec. 6203. Providing for additional fees for guaranteed loans.
- Sec. 6204. Water, waste disposal, and wastewater facility grants.
- Sec. 6205. Rural water and wastewater technical assistance and training programs.
- Sec. 6206. Rural water and wastewater circuit rider program.
- Sec. 6207. Tribal college and university essential community facilities.
- Sec. 6208. Emergency and imminent community water assistance grant program.
- Sec. 6209. Water systems for rural and native villages in Alaska.
- Sec. 6210. Household water well systems.
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- Sec. 6215. Appropriate technology transfer for rural areas program.
- Sec. 6216. Rural economic area partnership zones.
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- Sec. 6218. Exclusion of prison populations from definition of rural area.
- Sec. 6219. National Rural Development Partnership.
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- Sec. 6221. Rural microentrepreneur assistance program.

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- Sec. 6302. Expansion of 911 access.
- Sec. 6303. Improvements to the guaranteed underwriter program.
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- Sec. 6402. Biobased markets program.
- Sec. 6403. Biorefinery, renewable, chemical, and biobased product manufacturing assistance.
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- Sec. 6405. Bioenergy program for advanced biofuels.
- Sec. 6406. Biodiesel fuel education program.
- Sec. 6407. Rural Energy for America Program.
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- Sec. 6409. Rural Energy Self-Sufficiency Initiative.
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- Sec. 6504. Definition of rural area for purposes of the Housing Act of 1949.

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- Sec. 7109. Education grants to Alaska Native serving institutions and Native Hawaiian serving institutions.
- Sec. 7110. Repeal of nutrition education program.
- Sec. 7111. Continuing animal health and disease research programs.
- Sec. 7112. Extension carryover at 1890 land-grant colleges, including Tuskegee University.
- Sec. 7113. Scholarships for students at 1890 institutions.
- Sec. 7114. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 7115. Grants to upgrade agriculture and food sciences facilities and equipment at insular area land-grant institutions.
- Sec. 7116. Hispanic-serving institutions.
- Sec. 7117. Land-grant designation.
- Sec. 7118. Competitive grants for international agricultural science and education programs.
- Sec. 7119. Limitation on indirect costs for agricultural research, education, and extension programs.
- Sec. 7120. Research equipment grants.
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- Sec. 7127. Special authorization for biosecurity planning and response.
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- Sec. 7211. Clarification of veteran eligibility for assistive technology program for farmers with disabilities.
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- Sec. 7300. Ending limitation on funding under national food safety training, education, extension, outreach, and technical assistance program.
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 Sec. 7605. Transfer of administrative jurisdiction, portion of Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland.
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 Sec. 8106. Community wood energy and wood innovation program.
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 Sec. 8315. Categorical exclusion to improve or restore National Forest System lands or public land or reduce the risk of wildfire.
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- Sec. 8318. Categorical exclusion for developed recreation sites.
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- Sec. 8401. Protection of Tribal forest assets through use of stewardship end result contracting and other authorities.
- Sec. 8402. Tribal forest management demonstration project.

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- Sec. 8504. No loss of funds for wildfire suppression.
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- Sec. 9002. Farmers' Market and Local Food Promotion Program.
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- Sec. 9201. Report on regulation of plant biostimulants.
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- Sec. 10001. Treatment of forage and grazing.
- Sec. 10002. Administrative basic fee.
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- Sec. 11104. Report on FSIS guidance and outreach to small meat processors.

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- Sec. 11201. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.

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 Sec. 11203. Commission on Farm Transitions—Needs for 2050.
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Sec. 11601. Under Secretary of Agriculture for Farm Production and Conservation.
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 Sec. 11606. South Carolina inclusion in Virginia/Carolina peanut producing region.
 Sec. 11607. Establishment of Food Loss and Waste Reduction Liaison.
 Sec. 11608. Cotton classification services.
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Subtitle G—Protecting Interstate Commerce

Sec. 11701. Prohibition against interference by State and local governments with production or manufacture of items in other States.
 Sec. 11702. Federal cause of action to challenge State regulation of interstate commerce.

SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.

In this Act, the term “Secretary” means the Secretary of Agriculture.

TITLE I—COMMODITIES

Subtitle A—Commodity Policy

SEC. 1111. DEFINITIONS.

In this subtitle and subtitle B:

(1) **ACTUAL CROP REVENUE.**—The term “actual crop revenue”, with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1117(b).

(2) **AGRICULTURE RISK COVERAGE.**—The term “agriculture risk coverage” means coverage provided under section 1117.

(3) **AGRICULTURE RISK COVERAGE GUARANTEE.**—The term “agriculture risk coverage guarantee”, with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1117(c).

(4) **BASE ACRES.**—The term “base acres” has the meaning given the term in section 1111(4)(A) of the Agricultural Act of 2014 (7 U.S.C. 9011(4)(A)), subject to any reallocation, adjustment, or reduction under section 1112.

(5) **COVERED COMMODITY.**—The term “covered commodity” means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, seed cotton, and peanuts.

(6) **EFFECTIVE PRICE.**—The term “effective price”, with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 1116(b) to determine whether price loss coverage payments are required to be provided for that crop year.

(7) **EFFECTIVE REFERENCE PRICE.**—The term “effective reference price”, with respect to a covered commodity for a crop year, means the lesser of the following:

(A) An amount equal to 115 percent of the reference price for such covered commodity.

(B) An amount equal to the greater of—

(i) the reference price for such covered commodity; or

- (ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years, excluding each of the crop years with the highest and lowest marketing year average price.
- (8) EXTRA LONG STAPLE COTTON.—The term “extra long staple cotton” means cotton that—
- (A) is produced from pure strain varieties of the *barbadense* species or any hybrid of the species, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and
- (B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.
- (9) MARKETING YEAR AVERAGE PRICE.—The term “marketing year average price” means the national average market price received by producers during the 12-month marketing year for a covered commodity, as determined by the Secretary.
- (10) MEDIUM GRAIN RICE.—The term “medium grain rice” includes short grain rice and temperate japonica rice.
- (11) OTHER OILSEED.—The term “other oilseed” means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.
- (12) PAYMENT ACRES.—The term “payment acres”, with respect to the provision of price loss coverage payments and agriculture risk coverage payments, means the number of acres determined for a farm under section 1114.
- (13) PAYMENT YIELD.—The term “payment yield”, for a farm for a covered commodity—
- (A) means the yield used to make payments pursuant to section 1116 of the Agricultural Act of 2014 (7 U.S.C. 9016); or
- (B) means the yield established under section 1113.
- (14) PRICE LOSS COVERAGE.—The term “price loss coverage” means coverage provided under section 1116.
- (15) PRODUCER.—
- (A) IN GENERAL.—The term “producer” means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.
- (B) HYBRID SEED.—In determining whether a grower of hybrid seed is a producer, the Secretary shall—
- (i) not take into consideration the existence of a hybrid seed contract; and
- (ii) ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.
- (16) PULSE CROP.—The term “pulse crop” means dry peas, lentils, small chickpeas, and large chickpeas.
- (17) REFERENCE PRICE.—The term “reference price”, with respect to a covered commodity for a crop year, means the following:
- (A) For wheat, \$5.50 per bushel.
- (B) For corn, \$3.70 per bushel.
- (C) For grain sorghum, \$3.95 per bushel.
- (D) For barley, \$4.95 per bushel.
- (E) For oats, \$2.40 per bushel.
- (F) For long grain rice, \$14.00 per hundredweight.
- (G) For medium grain rice, \$14.00 per hundredweight.
- (H) For soybeans, \$8.40 per bushel.
- (I) For other oilseeds, \$20.15 per hundredweight.
- (J) For peanuts, \$535.00 per ton.
- (K) For dry peas, \$11.00 per hundredweight.
- (L) For lentils, \$19.97 per hundredweight.
- (M) For small chickpeas, \$19.04 per hundredweight.
- (N) For large chickpeas, \$21.54 per hundredweight.
- (O) For seed cotton, \$0.367 per pound.
- (18) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.
- (19) SEED COTTON.—The term “seed cotton” means unginning upland cotton that includes both lint and seed.
- (20) STATE.—The term “State” means—
- (A) a State;

- (B) the District of Columbia;
 - (C) the Commonwealth of Puerto Rico; and
 - (D) any other territory or possession of the United States.
- (21) TEMPERATE JAPONICA RICE.—The term “temperate japonica rice” means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by the Secretary, for the purpose of—
- (A) the establishment of a reference price (as required under section 1116(g)) and an effective price pursuant to section 1116; and
 - (B) the determination of the actual crop revenue and agriculture risk coverage guarantee pursuant to section 1117.
- (22) TRANSITIONAL YIELD.—The term “transitional yield” has the meaning given the term in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)).
- (23) UNITED STATES.—The term “United States”, when used in a geographical sense, means all of the States.
- (24) UNITED STATES PREMIUM FACTOR.—The term “United States Premium Factor” means the percentage by which the difference in the United States loan schedule premiums for Strict Middling (SM) 1½-inch upland cotton and for Middling (M) 1¾-inch upland cotton exceeds the difference in the applicable premiums for comparable international qualities.

SEC. 1112. BASE ACRES.

(a) ADJUSTMENT OF BASE ACRES.—

(1) IN GENERAL.—The Secretary shall provide for an adjustment, as appropriate, in the base acres for covered commodities for a farm whenever any of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(C) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds, which shall be determined in the same manner as eligible oilseed acreage under section 1101(a)(1)(D) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(a)(1)(D)).

(2) SPECIAL CONSERVATION RESERVE ACREAGE PAYMENT RULES.—For the crop year in which a base acres adjustment under subparagraph (A) or (B) of paragraph (1) is first made, the owner of the farm shall elect to receive price loss coverage or agriculture risk coverage with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(b) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm and the acreage described in paragraph (2) exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities for the farm so that the sum of the base acres and the acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program (or successor programs) under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

(B) Any other acreage on the farm enrolled in a Federal conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(C) If the Secretary designates additional oilseeds, any eligible oilseed acreage, which shall be determined in the same manner as eligible oilseed acreage under subsection (a)(1)(C).

(3) SELECTION OF ACRES.—The Secretary shall give the owner of the farm the opportunity to select the base acres for a covered commodity for the farm against which the reduction required by paragraph (1) will be made.

(4) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

(c) REDUCTION IN BASE ACRES.—

(1) REDUCTION AT OPTION OF OWNER.—

(A) IN GENERAL.—The owner of a farm may reduce, at any time, the base acres for any covered commodity for the farm.

(B) EFFECT OF REDUCTION.—A reduction under subparagraph (A) shall be permanent and made in a manner prescribed by the Secretary.

(2) REQUIRED ACTION BY SECRETARY.—

(A) IN GENERAL.—The Secretary shall proportionately reduce base acres on a farm for land that has been subdivided and developed for multiple residential units or other nonfarming uses if the size of the tracts and the density of the subdivision is such that the land is unlikely to return to the previous agricultural use, unless the producers on the farm demonstrate that the land—

- (i) remains devoted to commercial agricultural production; or
- (ii) is likely to be returned to the previous agricultural use.

(B) REQUIREMENT.—The Secretary shall establish procedures to identify land described in subparagraph (A).

(3) TREATMENT OF UNPLANTED BASE.—In the case of a farm on which no covered commodities (including seed cotton) were planted or prevented from being planted during the period beginning on January 1, 2009, and ending on December 31, 2017, the Secretary shall allocate all base acres on the farm to unassigned crop base for which no payment shall be made under section 1116 or 1117.

(4) PROHIBITION ON RECONSTITUTION OF FARM.—The Secretary shall ensure that producers on a farm do not reconstitute the farm to void or change the treatment of base acres under this section.

SEC. 1113. PAYMENT YIELDS.

(a) TREATMENT OF DESIGNATED OILSEEDS.—

(1) IN GENERAL.—For the purpose of making price loss coverage payments under section 1116, the Secretary shall provide for the establishment of a yield for each farm for any designated oilseed for which a payment yield was not established under section 1113 of the Agricultural Act of 2014 (7 U.S.C. 9013) in accordance with this section.

(2) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—In the case of designated oilseeds, the payment yield shall be equal to 90 percent of the average of the yield per planted acre for the most recent five crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the covered commodity was zero.

(3) APPLICATION.—This subsection shall apply to oilseeds designated after the date of the enactment of this Act.

(b) EFFECT OF LACK OF PAYMENT YIELD.—

(1) ESTABLISHMENT BY SECRETARY.—In the case of a covered commodity on a farm for which base acres have been established, if no payment yield is otherwise established for the covered commodity on the farm, the Secretary shall establish an appropriate payment yield for the covered commodity on the farm under paragraph (2).

(2) USE OF SIMILARLY SITUATED FARMS.—To establish an appropriate payment yield for a covered commodity on a farm as required by paragraph (1), the Secretary shall take into consideration the farm program payment yields applicable to that covered commodity for similarly situated farms. The use of such data in an appeal, by the Secretary or by the producer, shall not be subject to any other provision of law.

(c) SINGLE OPPORTUNITY TO UPDATE YIELDS IN COUNTIES AFFECTED BY DROUGHT.—

(1) ELECTION TO UPDATE.—In the case of a farm that is physically located in a county in which any area of the county was rated by the U.S. Drought Monitor as having a D4 (exceptional drought) intensity for 20 or more consecutive weeks during the period beginning January 1, 2008 and ending December 31, 2012, at the sole discretion of the owner of such farm, the owner of a farm shall have a 1-time opportunity to update, on a covered commodity-by covered-commodity basis, the payment yield that would otherwise be used in calculating any price loss coverage payment for each covered commodity on the farm for which the election is made.

(2) METHOD OF UPDATING YIELDS FOR COVERED COMMODITIES.—If the owner of a farm elects to update yields under paragraph (1), the payment yield for covered commodities on the farm, for the purpose of calculating price loss coverage payments only, shall be equal to 90 percent of the average of the yield per planted acre for the crop of covered commodities on the farm for the 2013 through 2017 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the covered commodity was zero.

(3) USE OF COUNTY AVERAGE YIELD.—For the purposes of determining the average yield under paragraph (2), if the yield per planted acre for a crop of a

covered commodity for a farm for any of the crop years specified in paragraph (2) was less than 75 percent of the average of county yields for those same years for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the average of the 2013 through 2017 county yield for the covered commodity.

(4) UPLAND COTTON CONVERSION.—In the case of seed cotton, for purposes of determining the average of the yield per planted acre under paragraph (2), the average yield for seed cotton per planted acre shall be equal to 2.4 times the average yield for upland cotton per planted acre.

(5) TIME FOR ELECTION.—An election under this subsection shall be made at a time and manner so as to be in effect beginning with the 2019 crop year, as determined by the Secretary.

SEC. 1114. PAYMENT ACRES.

(a) DETERMINATION OF PAYMENT ACRES.—Subject to subsection (d), for the purpose of price loss coverage and agriculture risk coverage, the payment acres for each covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity on the farm.

(b) EFFECT OF MINIMAL PAYMENT ACRES.—

(1) PROHIBITION ON PAYMENTS.—Notwithstanding any other provision of this title, a producer on a farm may not receive price loss coverage payments or agriculture risk coverage payments if the sum of the base acres on the farm is 10 acres or less, as determined by the Secretary, unless the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an interest, is more than 10 acres.

(2) EXCEPTIONS.—Paragraph (1) does not apply to a producer that is—

(A) a socially disadvantaged farmer or rancher (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))); or

(B) a limited resource farmer or rancher, as defined by the Secretary.

(c) EFFECT OF PLANTING FRUITS AND VEGETABLES.—

(1) REDUCTION REQUIRED.—In the manner provided in this subsection, payment acres on a farm shall be reduced in any crop year in which fruits, vegetables (other than mung beans and pulse crops), or wild rice have been planted on base acres on a farm.

(2) PRICE LOSS COVERAGE AND AGRICULTURAL RISK COVERAGE.—In the case of price loss coverage payments and agricultural risk coverage payments, the reduction under paragraph (1) shall be the amount equal to the base acres planted to crops referred to in such paragraph in excess of 15 percent of base acres.

(3) REDUCTION EXCEPTIONS.—No reduction to payment acres shall be made under this subsection if—

(A) cover crops or crops referred to in paragraph (1) are grown solely for conservation purposes and not harvested for use or sale, as determined by the Secretary; or

(B) in any region in which there is a history of double-cropping covered commodities with crops referred to in paragraph (1) and such crops were so double-cropped on the base acres, as determined by the Secretary.

(4) EFFECT OF REDUCTION.—For each crop year for which fruits, vegetables (other than mung beans and pulse crops), or wild rice are planted to base acres on a farm for which a reduction in payment acres is made under this subsection, the Secretary shall consider such base acres to be planted, or prevented from planting, to a covered commodity for purposes of any adjustment or reduction of base acres for the farm under section 1112.

(d) UNASSIGNED CROP BASE.—The Secretary shall maintain information on base acres allocated as unassigned crop base pursuant to—

(1) section 1112(c)(3); or

(2) section 1112(a) of the Agricultural Act of 2014 (7 U.S.C. 9012(a)).

SEC. 1115. PRODUCER ELECTION.

(a) ELECTION REQUIRED.—For the 2019 through 2023 crop years, all of the producers on a farm shall make a 1-time, irrevocable election to obtain on a covered-commodity-by-covered-commodity basis—

(1) price loss coverage under section 1116; or

(2) agriculture risk coverage under section 1117.

(b) EFFECT OF FAILURE TO MAKE UNANIMOUS ELECTION.—If all the producers on a farm fail to make a unanimous election under subsection (a) for the 2019 crop year—

(1) the Secretary shall not make any payments with respect to the farm for the 2019 crop year under section 1116 or 1117; and

(2) the producers on the farm shall be deemed to have elected price loss coverage under section 1116 for all covered commodities on the farm for the 2020 through 2023 crop years.

(c) PROHIBITION ON RECONSTITUTION.—The Secretary shall ensure that producers on a farm do not reconstitute the farm to void or change an election made under this section.

SEC. 1116. PRICE LOSS COVERAGE.

(a) PRICE LOSS COVERAGE PAYMENTS.—If all of the producers on a farm make the election under subsection (a) of section 1115 to obtain price loss coverage or, subject to subsection (b)(1) of such section, are deemed to have made such election under subsection (b)(2) of such section, the Secretary shall make price loss coverage payments to producers on the farm on a covered-commodity-by-covered-commodity basis if the Secretary determines that, for any of the 2019 through 2023 crop years—

- (1) the effective price for the covered commodity for the crop year; is less than
- (2) the effective reference price for the covered commodity for the crop year.

(b) EFFECTIVE PRICE.—The effective price for a covered commodity for a crop year shall be the higher of—

- (1) the marketing year average price; or
- (2) the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year under subtitle B.

(c) PAYMENT RATE.—The payment rate shall be equal to the difference between—

- (1) the effective reference price for the covered commodity; and
- (2) the effective price determined under subsection (b) for the covered commodity.

(d) PAYMENT AMOUNT.—If price loss coverage payments are required to be provided under this section for any of the 2019 through 2023 crop years for a covered commodity, the amount of the price loss coverage payment to be paid to the producers on a farm for the crop year shall be equal to the product obtained by multiplying—

- (1) the payment rate for the covered commodity under subsection (c);
- (2) the payment yield for the covered commodity; and
- (3) the payment acres for the covered commodity determined under section 1114.

(e) TIME FOR PAYMENTS.—If the Secretary determines under this section that price loss coverage payments are required to be provided for the covered commodity, the payments shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.

(f) EFFECTIVE PRICE FOR BARLEY.—In determining the effective price for barley under subsection (b), the Secretary shall use the all-barley price.

(g) REFERENCE PRICE FOR TEMPERATE JAPONICA RICE.—In order to reflect price premiums, the Secretary shall provide a reference price with respect to temperate japonica rice in an amount equal to the amount established under subparagraph (F) of section 1111(17), as adjusted by paragraph (7) of such section, multiplied by the ratio obtained by dividing—

- (1) the simple average of the marketing year average price of medium grain rice from the 2012 through 2016 crop years; by
- (2) the simple average of the marketing year average price of all rice from the 2012 through 2016 crop years.

SEC. 1117. AGRICULTURE RISK COVERAGE.

(a) AGRICULTURE RISK COVERAGE PAYMENTS.—If all of the producers on a farm make the election under section 1115(a) to obtain agriculture risk coverage, the Secretary shall make agriculture risk coverage payments to producers on the farm if the Secretary determines that, for any of the 2019 through 2023 crop years—

- (1) the actual crop revenue determined under subsection (b) for the crop year; is less than
- (2) the agriculture risk coverage guarantee determined under subsection (c) for the crop year.

(b) ACTUAL CROP REVENUE.—The amount of the actual crop revenue for a county for a crop year of a covered commodity shall be equal to the product obtained by multiplying—

- (1) the actual average county yield per planted acre for the covered commodity, as determined by the Secretary; and
- (2) the higher of—

- (A) the marketing year average price; or
- (B) the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year under subtitle B.

(c) AGRICULTURE RISK COVERAGE GUARANTEE.—

- (1) **IN GENERAL.**—The agriculture risk coverage guarantee for a crop year for a covered commodity shall equal 86 percent of the benchmark revenue.
- (2) **BENCHMARK REVENUE.**—The benchmark revenue shall be equal to the product obtained by multiplying—
- (A) subject to paragraph (3), the average historical county yield as determined by the Secretary for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; and
- (B) subject to paragraph (4), the marketing year average price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.
- (3) **YIELD CONDITIONS.**—If the yield per planted acre for the covered commodity or historical county yield per planted acre for the covered commodity for any of the 5 most recent crop years, as determined by the Secretary, is less than 70 percent of the transitional yield, as determined by the Secretary, the amounts used for any of those years in paragraph (2)(A) shall be 70 percent of the transitional yield.
- (4) **REFERENCE PRICE.**—If the marketing year average price for any of the 5 most recent crop years is lower than the reference price for the covered commodity, the Secretary shall use the reference price for any of those years for the amounts in paragraph (2)(B).
- (d) **PAYMENT RATE.**—The payment rate for a covered commodity in a county shall be equal to the lesser of—
- (1) the amount that—
- (A) the agriculture risk coverage guarantee for the crop year applicable under subsection (c); exceeds
- (B) the actual crop revenue for the crop year applicable under subsection (b); or
- (2) 10 percent of the benchmark revenue for the crop year applicable under subsection (c).
- (e) **PAYMENT AMOUNT.**—If agriculture risk coverage payments are required to be paid for any of the 2019 through 2023 crop years, the amount of the agriculture risk coverage payment for the crop year shall be determined by multiplying—
- (1) the payment rate for the covered commodity determined under subsection (d); and
- (2) the payment acres for the covered commodity determined under section 1114.
- (f) **TIME FOR PAYMENTS.**—If the Secretary determines that agriculture risk coverage payments are required to be provided for the covered commodity, payments shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.
- (g) **ADDITIONAL DUTIES OF THE SECRETARY.**—In providing agriculture risk coverage, the Secretary shall—
- (1) to the maximum extent practicable, use all available information and analysis, including data mining, to check for anomalies in the determination of agriculture risk coverage payments;
- (2) calculate a separate actual crop revenue and agriculture risk coverage guarantee for irrigated and nonirrigated covered commodities;
- (3) assign an actual or benchmark county yield for each planted acre for the crop year for the covered commodity—
- (A) for a county for which county data collected by the Risk Management Agency is sufficient for the Secretary to offer a county-wide insurance product using the actual average county yield determined by the Risk Management Agency; or
- (B) for a county not described in subparagraph (A) using—
- (i) other sources of yield information, as determined by the Secretary;
- or
- (ii) the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary; and
- (4) make payments, as applicable, to producers using the payment rate of the county of the physical location of the base acres of a farm.

SEC. 1118. PRODUCER AGREEMENTS.

- (a) **COMPLIANCE WITH CERTAIN REQUIREMENTS.**—
- (1) **REQUIREMENTS.**—Before the producers on a farm may receive payments under this subtitle with respect to the farm, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—
- (A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary; and

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of this subsection if the modifications are consistent with the objectives of this subsection, as determined by the Secretary.

(b) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—

(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which payments under this subtitle are provided shall result in the termination of the payments, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(B) EFFECTIVE DATE.—The termination shall take effect on the date determined by the Secretary.

(2) EXCEPTION.—If a producer entitled to a payment under this subtitle dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment in accordance with rules issued by the Secretary.

(c) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(d) EFFECT OF INACCURATE REPORTS.—No penalty with respect to benefits under this subtitle or subtitle B shall be assessed against a producer on a farm for an inaccurate acreage report unless the Secretary determines that the producer on the farm knowingly and willfully falsified the acreage report.

(e) TENANTS AND SHARECROPPERS.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this subtitle among the producers on a farm on a fair and equitable basis.

Subtitle B—Marketing Loans

SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.

(a) DEFINITION OF LOAN COMMODITY.—In this subtitle, the term “loan commodity” means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, peanuts, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.

(b) NONRECOURSE LOANS AVAILABLE.—

(1) IN GENERAL.—For each of the 2019 through 2023 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 1202 for the loan commodity.

(c) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (b) for any quantity of a loan commodity produced on the farm.

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (b), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) SPECIAL RULES FOR PEANUTS.—

- (1) **IN GENERAL.**—This subsection shall apply only to producers of peanuts.
- (2) **OPTIONS FOR OBTAINING LOAN.**—A marketing assistance loan under this section, and loan deficiency payments under section 1205, may be obtained at the option of the producers on a farm through—
- (A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or
- (B) the Farm Service Agency.
- (3) **STORAGE OF LOAN PEANUTS.**—As a condition on the approval by the Secretary of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—
- (A) to provide the storage on a nondiscriminatory basis; and
- (B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.
- (4) **STORAGE, HANDLING, AND ASSOCIATED COSTS.**—
- (A) **IN GENERAL.**—To ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall pay handling and other associated costs (other than storage costs) incurred at the time at which the peanuts are placed under loan, as determined by the Secretary.
- (B) **REDEMPTION AND FORFEITURE.**—The Secretary shall—
- (i) require the repayment of handling and other associated costs paid under subparagraph (A) for all peanuts pledged as collateral for a loan that is redeemed under this section; and
- (ii) pay storage, handling, and other associated costs for all peanuts pledged as collateral that are forfeited under this section.
- (5) **MARKETING.**—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.
- (6) **REIMBURSABLE AGREEMENTS AND PAYMENT OF ADMINISTRATIVE EXPENSES.**—The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subsection only in a manner that is consistent with those activities in regard to other loan commodities.

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

- (a) **IN GENERAL.**—For purposes of each of the 2019 through 2023 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:
- (1) In the case of wheat, \$2.94 per bushel.
- (2) In the case of corn, \$1.95 per bushel.
- (3) In the case of grain sorghum, \$1.95 per bushel.
- (4) In the case of barley, \$1.95 per bushel.
- (5) In the case of oats, \$1.39 per bushel.
- (6)(A) Subject to subparagraphs (B) and (C), in the case of base quality of upland cotton, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic planting.
- (B) Except as provided in subparagraph (C), the loan rate determined under subparagraph (A) may not equal less than an amount equal to 98 percent of the loan rate for base quality of upland cotton for the preceding year.
- (C) The loan rate determined under subparagraph (A) may not be equal to an amount—
- (i) less than \$0.45 per pound; or
- (ii) more than \$0.52 per pound.
- (7) In the case of extra long staple cotton, \$0.95 per pound.
- (8) In the case of long grain rice, \$6.50 per hundredweight.
- (9) In the case of medium grain rice, \$6.50 per hundredweight.
- (10) In the case of soybeans, \$5.00 per bushel.
- (11) In the case of other oilseeds, \$10.09 per hundredweight for each of the following kinds of oilseeds:
- (A) Sunflower seed.
- (B) Rapeseed.
- (C) Canola.
- (D) Safflower.
- (E) Flaxseed.
- (F) Mustard seed.
- (G) Crambe.
- (H) Sesame seed.

- (I) Other oilseeds designated by the Secretary.
 - (12) In the case of dry peas, \$5.40 per hundredweight.
 - (13) In the case of lentils, \$11.28 per hundredweight.
 - (14) In the case of small chickpeas, \$7.43 per hundredweight.
 - (15) In the case of large chickpeas, \$11.28 per hundredweight.
 - (16) In the case of graded wool, \$1.15 per pound.
 - (17) In the case of nongraded wool, \$0.40 per pound.
 - (18) In the case of mohair, \$4.20 per pound.
 - (19) In the case of honey, \$0.69 per pound.
 - (20) In the case of peanuts, \$355 per ton.
- (b) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(11).
- (c) RULE FOR SEED COTTON.—
- (1) IN GENERAL.—For purposes of sections 1116(b)(2) and 1117(b)(2)(B) only, seed cotton shall be deemed to have a loan rate equal to \$0.25 per pound.
 - (2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to authorize nonrecourse marketing assistance loans under this subtitle for seed cotton.

SEC. 1203. TERM OF LOANS.

- (a) TERM OF LOAN.—In the case of each loan commodity, a marketing assistance loan under section 1201 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.
- (b) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

SEC. 1204. REPAYMENT OF LOANS.

- (a) GENERAL RULE.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, long grain rice, medium grain rice, extra long staple cotton, peanuts and confectionery and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—
- (1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283));
 - (2) a rate (as determined by the Secretary) that—
 - (A) is calculated based on average market prices for the loan commodity during the preceding 30-day period; and
 - (B) will minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries; or
 - (3) a rate that the Secretary may develop using alternative methods for calculating a repayment rate for a loan commodity that the Secretary determines will—
 - (A) minimize potential loan forfeitures;
 - (B) minimize the accumulation of stocks of the commodity by the Federal Government;
 - (C) minimize the cost incurred by the Federal Government in storing the commodity;
 - (D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and
 - (E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.
- (b) REPAYMENT RATES FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 1201 for upland cotton, long grain rice, and medium grain rice at a rate that is the lesser of—
- (1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or
 - (2) the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.
- (c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).
- (d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

- (1) a formula to determine the prevailing world market price for each of upland cotton, long grain rice and medium grain rice; and
- (2) a mechanism by which the Secretary shall announce periodically those prevailing world market prices.
- (e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—
 - (1) RICE.—The prevailing world market price for long grain rice and medium grain rice determined under subsection (d) shall be adjusted to United States quality and location.
 - (2) COTTON.—The prevailing world market price for upland cotton determined under subsection (d)—
 - (A) shall be adjusted to United States quality and location, with the adjustment to include—
 - (i) a reduction equal to any United States Premium Factor for upland cotton of a quality higher than Middling (M) 1³/₃₂-inch; and
 - (ii) the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and
 - (B) may be further adjusted, during the period beginning on the date of enactment of this Act and ending on July 31, 2024, if the Secretary determines the adjustment is necessary—
 - (i) to minimize potential loan forfeitures;
 - (ii) to minimize the accumulation of stocks of upland cotton by the Federal Government;
 - (iii) to ensure that upland cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and
 - (iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—
 - (I) there are insufficient current-crop price quotations; and
 - (II) the forward-crop price quotation is the lowest such quotation available.
 - (3) GUIDELINES FOR ADDITIONAL ADJUSTMENTS.—In making adjustments under this subsection, the Secretary shall establish a mechanism for determining and announcing the adjustments in order to avoid undue disruption in the United States market.
- (f) REPAYMENT RATES FOR CONFECTIONERY AND OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for confectionery and each other kind of sunflower seed (other than oil sunflower seed) at a rate that is the lesser of—
 - (1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or
 - (2) the repayment rate established for oil sunflower seed.
- (g) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2019 through 2023 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 10 percent.
- (h) REPAYMENT RATE FOR PEANUTS.—The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under section 1201 at a rate that is the lesser of—
 - (1) the loan rate established for peanuts under section 1202(a)(20), plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or
 - (2) a rate that the Secretary determines will—
 - (A) minimize potential loan forfeitures;
 - (B) minimize the accumulation of stocks of peanuts by the Federal Government;
 - (C) minimize the cost incurred by the Federal Government in storing peanuts; and
 - (D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.
- (i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—
 - (1) ADJUSTMENT AUTHORITY.—In the event of a severe disruption to marketing, transportation, or related infrastructure, the Secretary may modify the repayment rate otherwise applicable under this section for marketing assistance loans under section 1201 for a loan commodity.

(2) DURATION.—Any adjustment made under paragraph (1) in the repayment rate for marketing assistance loans for a loan commodity shall be in effect on a short-term and temporary basis, as determined by the Secretary.

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) UNSHORN PELTS, HAY, AND SILAGE.—

(A) MARKETING ASSISTANCE LOANS.—Subject to subparagraph (B), non-graded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201.

(B) LOAN DEFICIENCY PAYMENT.—Effective for each of the 2019 through 2023 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

(b) COMPUTATION.—A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2) shall be equal to the product obtained by multiplying—

(1) the payment rate determined under subsection (c) for the commodity; by

(2) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a marketing assistance loan under section 1201.

(c) PAYMENT RATE.—

(1) IN GENERAL.—In the case of a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

(2) UNSHORN PELTS.—In the case of unshorn pelts, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for ungraded wool; exceeds

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 1204.

(3) HAY AND SILAGE.—In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity from which the hay or silage is derived; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) EFFECTIVE DATE FOR PAYMENT RATE DETERMINATION.—The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) using the payment rate in effect under subsection (c) as of the date the producers request the payment.

SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—

(1) IN GENERAL.—Effective for each of the 2019 through 2023 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) GRAZING OF TRITICALE ACREAGE.—Effective for each of the 2019 through 2023 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) PAYMENT AMOUNT.—

(1) **IN GENERAL.**—The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(ii)(I) the payment yield in effect for the calculation of price loss coverage under section 1116 with respect to that loan commodity on the farm;

(II) in the case of a farm for which agriculture risk coverage is elected under section 1117, the payment yield that would otherwise be in effect with respect to that loan commodity on the farm in the absence of such election; or

(III) in the case of a farm for which no payment yield is otherwise established for that loan commodity on the farm, an appropriate yield established by the Secretary in a manner consistent with section 1113(b).

(2) **GRAZING OF TRITICALE ACREAGE.**—The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

(ii)(I) the payment yield in effect for the calculation of price loss coverage under subtitle A with respect to wheat on the farm;

(II) in the case of a farm for which agriculture risk coverage is elected under section 1117, the payment yield that would otherwise be in effect for wheat on the farm in the absence of such election; or

(III) in the case of a farm for which no payment yield is otherwise established for wheat on the farm, an appropriate yield established by the Secretary in a manner consistent with section 1113(b).

(c) **TIME, MANNER, AND AVAILABILITY OF PAYMENT.**—

(1) **TIME AND MANNER.**—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 1205.

(2) **AVAILABILITY.**—

(A) **IN GENERAL.**—The Secretary shall establish an availability period for the payments authorized by this section.

(B) **CERTAIN COMMODITIES.**—In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) **PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.**—A 2019 through 2023 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) **SPECIAL IMPORT QUOTA.**—

(1) **DEFINITION OF SPECIAL IMPORT QUOTA.**—In this subsection, the term “special import quota” means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(2) **ESTABLISHMENT.**—

(A) **IN GENERAL.**—The President shall carry out an import quota program beginning on August 1, 2019, as provided in this subsection.

(B) **PROGRAM REQUIREMENTS.**—Whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest priced United States

growth, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch upland cotton, delivered to a definable and significant international market, as determined by the Secretary, exceeds the prevailing world market price, there shall immediately be in effect a special import quota.

(3) QUANTITY.—The quota shall be equal to the consumption during a 1-week period of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary.

(4) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (2) and entered into the United States not later than 180 days after that date.

(5) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (2), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (b).

(6) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 10 weeks' consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

(b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) DEFINITIONS.—In this subsection:

(A) DEMAND.—The term "demand" means—

(i) the average seasonally adjusted annual rate of domestic mill consumption of cotton during the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary; and

(ii) the larger of—

(I) average exports of upland cotton during the preceding 6 marketing years; or

(II) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(B) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(C) SUPPLY.—The term "supply" means, using the latest official data of the Department of Agriculture—

(i) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(ii) production of the current crop; and

(iii) imports to the latest date available during the marketing year.

(2) PROGRAM.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of the quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary.

(B) QUANTITY OF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(3) NO OVERLAP.—Notwithstanding paragraph (2), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a).

(c) ECONOMIC ADJUSTMENT ASSISTANCE FOR TEXTILE MILLS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall, on a monthly basis, make economic adjustment assistance available to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton.

(2) VALUE OF ASSISTANCE.—The value of the assistance provided under paragraph (1) shall be 3.15 cents per pound.

(3) ALLOWABLE PURPOSES.—Economic adjustment assistance under this subsection shall be made available only to domestic users of upland cotton that certify that the assistance shall be used only to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery.

(4) REVIEW OR AUDIT.—The Secretary may conduct such review or audit of the records of a domestic user under this subsection as the Secretary determines necessary to carry out this subsection.

(5) IMPROPER USE OF ASSISTANCE.—If the Secretary determines, after a review or audit of the records of the domestic user, that economic adjustment assistance under this subsection was not used for the purposes specified in paragraph (3), the domestic user shall be—

(A) liable for the repayment of the assistance to the Secretary, plus interest, as determined by the Secretary; and

(B) ineligible to receive assistance under this subsection for a period of 1 year following the determination of the Secretary.

SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act through July 31, 2024, the Secretary shall carry out a program—

(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;

(2) to increase exports of extra long staple cotton produced in the United States; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 113 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States that enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive 4-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive 4-week period.

SEC. 1209. AVAILABILITY OF RECOURSE LOANS.

(a) HIGH MOISTURE FEED GRAINS.—

(1) **DEFINITION OF HIGH MOISTURE STATE.**—In this subsection, the term “high moisture state” means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.

(2) **RECOURSE LOANS AVAILABLE.**—For each of the 2019 through 2023 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that the producers on the farm were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(3) **ELIGIBILITY OF ACQUIRED FEED GRAINS.**—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the farm of the producer; by

(B) the lower of—

(i) the payment yield in effect for the calculation of price loss coverage under section 1116, or the payment yield deemed to be in effect or established under subclause (II) or (III) of section 1206(b)(1)(B)(ii), with respect to corn or grain sorghum on a field that is similar to the field from which the corn or grain sorghum referred to in subparagraph (A) was obtained; or

(ii) the actual yield of corn or grain sorghum on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum referred to in subparagraph (A) was obtained.

(b) **RECOURSE LOANS AVAILABLE FOR SEED COTTON.**—For each of the 2019 through 2023 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) **RECOURSE LOANS AVAILABLE FOR CONTAMINATED COMMODITIES.**—In the case of a loan commodity that is ineligible for 100 percent of the nonrecourse marketing loan rate in the county due to a determination that the commodity is contaminated yet still merchantable, for each of the 2019 through 2023 crops of such loan commodity, the Secretary shall make available recourse commodity loans, at the rate provided under section 1202, on any production.

(d) **REPAYMENT RATES.**—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

SEC. 1210. ADJUSTMENTS OF LOANS.

(a) **ADJUSTMENT AUTHORITY.**—Subject to subsection (e), the Secretary may make appropriate adjustments in the loan rates for any loan commodity (other than cotton) for differences in grade, type, quality, location, and other factors.

(b) **MANNER OF ADJUSTMENT.**—The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subtitle and subtitle C.

(c) **COST SAVING OPTION.**—In carrying out this title, the Secretary shall consider methods to enhance the support, loan, or assistance provided under this title in a manner that further minimizes the potential for forfeitures.

(d) **ADJUSTMENT ON COUNTY BASIS.**—

(1) **IN GENERAL.**—The Secretary may establish loan rates for a crop for producers in individual counties in a manner that results in the lowest loan rate being 95 percent of the national average loan rate, if those loan rates do not result in an increase in outlays.

(2) **PROHIBITION.**—Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

(e) **ADJUSTMENT IN LOAN RATE FOR COTTON.**—

(1) **IN GENERAL.**—The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

(2) **TYPES OF ADJUSTMENTS.**—Loan rate adjustments under paragraph (1) may include—

(A) the use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price information used in determining quality adjustments under this subsection;

(B) adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to micronaire with the goal of eliminating any unnecessary artificial splits in the calculations of the premiums or discounts; and

(C) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

(3) **CONSULTATION WITH PRIVATE SECTOR.**—

(A) **PRIOR TO REVISION.**—In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.

(B) **INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this subsection.

(4) **REVIEW OF ADJUSTMENTS.**—The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further adjustments to the administration of the loan program for upland cotton, by revoking or revising any adjustment taken under paragraph (2).

(f) **RICE.**—The Secretary shall not make adjustments in the loan rates for long grain rice and medium grain rice, except for differences in grade and quality (including milling yields).

(g) **CONTINUATION OF AUTHORITY.**—Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended by striking “and Subtitle B of title I of the Agricultural Act of 2014” each place it appears and inserting “subtitle B of title I of the Agricultural Act of 2014, and subtitle B of title I of the Agriculture and Nutrition Act of 2018”.

Subtitle C—Sugar

SEC. 1301. SUGAR POLICY.

(a) **CONTINUATION OF CURRENT PROGRAM AND LOAN RATES.**—

(1) **SUGARCANE.**—Section 156(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)(4)) is amended by striking “2018” and inserting “2023”.

(2) **SUGAR BEETS.**—Section 156(b)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(b)(2)) is amended by striking “2018” and inserting “2023”.

(3) **EFFECTIVE PERIOD.**—Section 156(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(i)) is amended by striking “2018” and inserting “2023”.

(b) **FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.**—

(1) **SUGAR ESTIMATES.**—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking “2018” and inserting “2023”.

(2) **EFFECTIVE PERIOD.**—Section 359l(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ll(a)) is amended by striking “2018” and inserting “2023”.

Subtitle D—Dairy Risk Management Program and Other Dairy Programs

SEC. 1401. DAIRY RISK MANAGEMENT PROGRAM FOR DAIRY PRODUCERS.

(a) REVIEW OF DATA USED IN CALCULATION OF AVERAGE FEED COST.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the extent to which the average cost of feed used by a dairy operation to produce a hundredweight of milk calculated by the Secretary as required by section 1402(a) of the Agricultural Act of 2014 (7 U.S.C. 9052(a)) is representative of actual dairy feed costs.

(b) CORN SILAGE REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report detailing the costs incurred by dairy operations in the use of corn silage as feed, and the difference between the feed cost of corn silage and the feed cost of corn.

(c) COLLECTION OF ALFALFA HAY DATA.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Agriculture, acting through the National Agricultural Statistics Service, shall revise monthly price survey reports to include prices for high-quality alfalfa hay in the top five milk producing States, as measured by volume of milk produced during the previous month.

(d) REGISTRATION OF MULTIPRODUCER DAIRY OPERATIONS.—Section 1404(b) of the Agricultural Act of 2014 (7 U.S.C. 9054(b)) is amended—

(1) in paragraph (3), by striking “If” and inserting “Subject to paragraph (5), if”; and

(2) by adding at the end the following new paragraph:

“(5) CERTAIN MULTIPRODUCER DAIRY OPERATION EXCLUSIONS.—

“(A) EXCLUSION OF LOW-PERCENTAGE OWNERS.—To promote administrative efficiency in the dairy risk management program, a multiproducer dairy operation covered by paragraph (3) may elect, at the option of the multiproducer dairy operation, to exclude information from the registration process regarding any individual owner of the multiproducer dairy operation that—

“(i) holds less than a five percent ownership interest in the multiproducer dairy operation; or

“(ii) is entitled to less than five percent of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation for any given year.

“(B) EFFECT OF EXCLUSION ON DAIRY RISK MANAGEMENT PAYMENTS.—To the extent that an individual owner of a multiproducer dairy operation is excluded under subparagraph (A) from the registration of the multiproducer dairy operation, any dairy risk management payment made to the multiproducer dairy operation shall be reduced by an amount equal to the greater of the following:

“(i) The amount determined by multiplying the dairy risk management payment otherwise determined under section 1406 by the total percentage of ownership interests represented by the excluded owners.

“(ii) The amount determined by multiplying the dairy risk management payment otherwise determined under section 1406 by the total percentage of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation represented by the excluded owners.”

(e) RELATION TO LIVESTOCK GROSS MARGIN FOR DAIRY PROGRAM.—Section 1404(d) of the Agricultural Act of 2014 (7 U.S.C. 9054(d)) is amended—

(1) by striking “but not both” and inserting “but not on the same production”;

(2) by striking “or the” and inserting “and the”; and

(3) by striking “margin protection program” and inserting “dairy risk management program”.

(f) PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATORS.—

(1) CONTINUED USE OF PRIOR DAIRY OPERATION PRODUCTION HISTORY.—Section 1405(a)(1) of the Agricultural Act of 2014 (7 U.S.C. 9055(a)(1)) is amended by adding at the end the following new sentence: “The production history of a participating dairy operation shall continue to be based on annual milk marketings during the 2011, 2012, or 2013 calendar year notwithstanding the operation of the dairy risk management program through 2023.”

(2) ADJUSTMENT.—Section 1405(a) of the Agricultural Act of 2014 (7 U.S.C. 9055(a)) is amended—

(A) in paragraph (2), by striking “In subsequent years” and inserting “In the subsequent calendar years ending before January 1, 2019”; and

(B) in paragraph (3), by inserting “, as applicable” after “paragraph (2)”.

(3) LIMITATION ON CHANGES TO BUSINESS STRUCTURE.—Section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055) is amended by adding at the end the following new subsection:

“(d) LIMITATION ON CHANGES TO BUSINESS STRUCTURE.—The Secretary may not make dairy risk management payments to a participating dairy operation if the Secretary determines that the participating dairy operation has reorganized the structure of such operation solely for the purpose of qualifying as a new operation under subsection (b).”.

(g) DAIRY RISK MANAGEMENT PAYMENTS.—

(1) ELECTION OF COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.—Section 1406 of the Agricultural Act of 2014 (7 U.S.C. 9056) is amended—

(A) in subsection (a), by striking “annually”; and

(B) by adding at the end the following new subsection:

“(d) DEADLINE FOR ELECTION; DURATION.—Not later than 90 days after the date of the enactment of this subsection, each participating dairy operation shall elect a coverage level threshold under subsection (a)(1) and a coverage percentage under subsection (a)(2) to be used to determine dairy risk management payments. This election shall remain in effect for the participating dairy operation for the duration of the dairy risk management program, as specified in section 1409.”.

(2) ADDITIONAL COVERAGE LEVEL THRESHOLDS FOR CERTAIN PRODUCERS.—Section 1406(a)(1) of the Agricultural Act of 2014 (7 U.S.C. 9056(a)(1)) is amended by inserting after “or \$8.00” the following: “(and in the case of production subject to premiums under section 1407(b), also \$8.50 or \$9.00)”.

(3) ELECTION OF PRODUCTION HISTORY COVERAGE PERCENTAGE.—Section 1406(a)(2) of the Agricultural Act of 2014 (7 U.S.C. 9056(a)(2)) is amended by striking “beginning with 25 percent and not exceeding” and inserting “but not to exceed”.

(h) PREMIUMS FOR PARTICIPATION IN DAIRY RISK MANAGEMENT PROGRAM.—

(1) PREMIUM PER HUNDREDWEIGHT FOR FIRST 5 MILLION POUNDS OF PRODUCTION.—Section 1407(b) of the Agricultural Act of 2014 (7 U.S.C. 9057(b)) is amended—

(A) by striking paragraph (2) and inserting the following new paragraph:

“(2) PRODUCER PREMIUMS.—The following annual premiums apply:

“Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	\$0.002
\$5.00	\$0.005
\$5.50	\$0.008
\$6.00	\$0.010
\$6.50	\$0.017
\$7.00	\$0.041
\$7.50	\$0.057
\$8.00	\$0.090
\$8.50	\$0.120
\$9.00	\$0.170”; and

(B) by striking paragraph (3).

(2) TECHNICAL CORRECTION.—Section 1407(d) of the Agricultural Act of 2014 (7 U.S.C. 9057(d)) is amended in the subsection heading by striking “TIME FOR” and inserting “METHOD OF”.

(i) CONFORMING AMENDMENTS RELATED TO PROGRAM NAME.—

(1) HEADING.—The heading of part I of subtitle D of title I of the Agricultural Act of 2014 (Public Law 113–79; 128 Stat. 688) is amended to read as follows:

**“PART I—DAIRY RISK MANAGEMENT PROGRAM FOR
DAIRY PRODUCERS”.**

(2) DEFINITIONS.—Section 1401 of the Agricultural Act of 2014 (7 U.S.C. 9051) is amended—

- (A) by striking paragraphs (5) and (6) and inserting the following new paragraphs:
- “(5) **DAIRY RISK MANAGEMENT PROGRAM.**—The terms ‘dairy risk management program’ and ‘program’ mean the dairy risk management program required by section 1403.
- “(6) **DAIRY RISK MANAGEMENT PAYMENT.**—The term ‘dairy risk management payment’ means a payment made to a participating dairy operation under the program pursuant to section 1406.”; and
- (B) in paragraphs (7) and (8), by striking “margin protection” both places it appears.
- (3) **CALCULATION OF ACTUAL DAIRY PRODUCTION MARGIN.**—Section 1402(b)(1) of the Agricultural Act of 2014 (7 U.S.C. 9052(b)(1)) is amended by striking “margin protection” and inserting “dairy risk management”.
- (4) **PROGRAM OPERATION.**—Section 1403 of the Agricultural Act of 2014 (7 U.S.C. 9053) is amended—
- (A) in the section heading, by striking “**ESTABLISHMENT OF MARGIN PROTECTION**” and inserting “**DAIRY RISK MANAGEMENT**”;
- (B) by striking “Not later than September 1, 2014, the Secretary shall establish and administer a margin protection program” and inserting “The Secretary shall continue to administer a dairy risk management program”; and
- (C) by striking “margin protection payment” both places it appears and inserting “dairy risk management payment”.
- (5) **PARTICIPATION.**—Section 1404 of the Agricultural Act of 2014 (7 U.S.C. 9054) is amended—
- (A) in the section heading, by striking “**MARGIN PROTECTION**”;
- (B) in subsection (a), by striking “margin protection program to receive margin protection payments” and inserting “dairy risk management program to receive dairy risk management payments”; and
- (C) in subsections (b) and (c), by striking “margin protection” each place it appears.
- (6) **PRODUCTION HISTORY.**—Section 1405 of the Agricultural Act of 2014 (7 U.S.C. 9055) is amended—
- (A) in subsection (a)(1)—
- (i) by striking “margin protection program” the first place it appears and inserting “dairy risk management program”; and
- (ii) by striking “margin protection” the second place it appears; and
- (B) in subsection (c), by striking “margin protection”.
- (7) **PAYMENTS.**—Section 1406 of the Agricultural Act of 2014 (7 U.S.C. 9056) is amended—
- (A) in the section heading, by striking “**MARGIN PROTECTION**” and inserting “**DAIRY RISK MANAGEMENT**”;
- (B) by striking “margin protection” each place it appears and inserting “dairy risk management”; and
- (C) in the heading of subsection (c), by striking “**MARGIN PROTECTION**”.
- (8) **PREMIUMS.**—Section 1407 of the Agricultural Act of 2014 (7 U.S.C. 9057) is amended—
- (A) in the section heading, by striking “**MARGIN PROTECTION**” and inserting “**DAIRY RISK MANAGEMENT**”;
- (B) in subsection (a), by striking “margin protection program” and inserting “dairy risk management program”; and
- (C) in subsection (e), by striking “margin protection” both places it appears.
- (9) **PENALTIES.**—Section 1408 of the Agricultural Act of 2014 (7 U.S.C. 9058) is amended by striking “margin protection” both places it appears and inserting “dairy risk management”.
- (10) **ADMINISTRATION AND ENFORCEMENT.**—Section 1410 of the Agricultural Act of 2014 (7 U.S.C. 9060) is amended by striking “margin protection” each place it appears and inserting “dairy risk management”.
- (j) **EFFECTIVE DATE.**—The amendments made by this section shall take effect 60 days after the date of the enactment of this Act.
- (k) **DURATION.**—Section 1409 of the Agricultural Act of 2014 (7 U.S.C. 9059) is amended—
- (1) by striking “margin protection” and inserting “dairy risk management”; and
- (2) by striking “2018” and inserting “2023”.

SEC. 1402. CLASS I SKIM MILK PRICE.

(a) **CLASS I SKIM MILK PRICE.**—Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking “Throughout the 2-year period” and all that follows through “such handlers.” and inserting the following new sentence: “Throughout the 2-year period beginning on the effective date of this sentence (and subsequent to such 2-year period unless modified by amendment to the order involved), for purposes of determining prices for milk of the highest use classification, the Class I skim milk price per hundredweight specified in section 1000.50(b) of title 7, Code of Federal Regulations (or successor regulation), shall be the sum of the adjusted Class I differential specified in section 1000.52 of such title 7, plus the adjustment to Class I prices specified in sections 1005.51(b), 1006.51(b), and 1007.51(b) of such title 7 (or successor regulation), plus the simple average of the advanced pricing factors computed in sections 1000.50(q)(1) and 1000.50(q)(2) of such title 7 (or successor regulation), plus \$0.74.”.

(b) EFFECTIVE DATE AND IMPLEMENTATION.—

(1) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect on the first day of the first month beginning more than 120 days after the date of the enactment of this Act.

(2) **IMPLEMENTATION.**—Implementation of the amendment made by subsection (a) is not subject to any of the following:

(A) The notice and comment provisions of section 553 of title 5, United States Code.

(B) The notice and hearing requirements of paragraphs (3) and (4) of section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(C) The order amendment requirements of section 8c(17) of such Act (7 U.S.C. 608c(17)).

(D) A referendum under section 8c(19) of such Act (7 U.S.C. 608c(19)).

SEC. 1403. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.

Section 1502(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8772(e)) is amended—

(1) in paragraph (1), by striking “2018” and inserting “2023”; and

(2) in paragraph (2), by striking “2021” and inserting “2026”.

SEC. 1404. EXTENSION OF DAIRY INDEMNITY PROGRAM.

Section 3 of Public Law 90–484 (7 U.S.C. 450*l*) is amended by striking “2018” and inserting “2023”.

SEC. 1405. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.

Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 1406. REPEAL OF DAIRY PRODUCT DONATION PROGRAM.

Section 1431 of the Agricultural Act of 2014 (7 U.S.C. 9071) is repealed.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. MODIFICATION OF SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) **COVERED LIVESTOCK LOSSES FOR LIVESTOCK INDEMNITY PAYMENTS.**—Section 1501(b) of the Agricultural Act of 2014 (7 U.S.C. 9081(b)) is amended—

(1) in paragraph (1)—

(A) by striking “or” at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(C) by adding at the end the following new subparagraph:

“(C) disease that, as determined by the Secretary—

“(i) is caused or transmitted by a vector; and

“(ii) is not susceptible to control by vaccination or acceptable management practices.”; and

(2) in paragraph (4), by striking “A payment” and inserting “PAYMENT REDUCTIONS.—A payment”.

(b) **PAYMENT LIMITATIONS AND EXCLUSION OF GROSS INCOME LIMITATION.**—Section 1501(f) of the Agricultural Act of 2014 (7 U.S.C. 9081(f)) is amended—

(1) in paragraph (2)—

(A) by striking “this section (excluding payments received under subsections (b) and (e))” and inserting “subsection (c)”; and

(B) by striking “joint venture or general partnership” and inserting “qualified pass through entity (as such term is defined in paragraph (5) of section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)))”; and (2) by adding at the end the following new paragraph:

“(4) EXCLUSION OF GROSS INCOME LIMITATION.—For purposes of this section only, subsection (b) of section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) shall not apply to a person or legal entity if 75 percent or greater of the average adjusted gross income (as such term is defined in subsection (a) of such section) of such person or legal entity derives from farming, ranching, or silviculture activities.”

(c) APPLICATION OF AMENDMENTS.—Section 1501 of the Agricultural Act of 2014 (7 U.S.C. 9081), as amended by this section, shall apply with respect to losses described in such section 1501 incurred on or after January 1, 2017.

Subtitle F—Administration

SEC. 1601. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, not later than 90 days after the date of enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title and the amendments made by this title.

(2) PROCEDURE.—The promulgation of the regulations and administration of this title and the amendments made by this title shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code; and

(B) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) ADJUSTMENT AUTHORITY RELATED TO TRADE AGREEMENTS COMPLIANCE.—

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under this title that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)) will exceed such allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed the allowable levels.

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2019 through 2023 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2023:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—

(1) APPLICABILITY.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2019 through 2023 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to

milk during the period beginning on the date of enactment of this Act through December 31, 2023:

- (A) Section 101 (7 U.S.C. 1441).
 - (B) Section 103(a) (7 U.S.C. 1444(a)).
 - (C) Section 105 (7 U.S.C. 1444b).
 - (D) Section 107 (7 U.S.C. 1445a).
 - (E) Section 110 (7 U.S.C. 1445e).
 - (F) Section 112 (7 U.S.C. 1445g).
 - (G) Section 115 (7 U.S.C. 1445k).
 - (H) Section 201 (7 U.S.C. 1446).
 - (I) Title III (7 U.S.C. 1447 et seq.).
 - (J) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).
 - (K) Title V (7 U.S.C. 1461 et seq.).
 - (L) Title VI (7 U.S.C. 1471 et seq.).
- (2) CLARIFYING AMENDMENTS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended—
- (A) by inserting “, crambe, cottonseed, sesame seed” after “mustard seed”;
 - (B) by inserting “dry peas, lentils, small chickpeas, large chickpeas, graded wool, nongraded wool, mohair, peanuts,” after “honey,”; and
 - (C) by striking “in accordance with this title” and inserting “consistent with the percentage levels of support provided under subsection (c), except as otherwise provided for under subsection (b)”.
- (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled “A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended”, approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2019 through 2023.

SEC. 1603. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

- (1) in subsection (a)—
 - (A) in paragraph (1) by striking “section 1001 of the Food, Conservation, and Energy Act of 2008” and inserting “section 1111 of the Agriculture and Nutrition Act of 2018”;
 - (B) in paragraph (2), by inserting “first cousin, niece, nephew,” after “sibling,”;
 - (C) by redesignating paragraph (5) as (6); and
 - (D) by inserting after paragraph (4) the following new paragraph:

“(5) QUALIFIED PASS THROUGH ENTITY.—The term ‘qualified pass through entity’ means a partnership (within the meaning of subchapter K of chapter 1 of the Internal Revenue Code of 1986 and including a limited liability company that does not affirmatively elect to be treated as a corporation), an S corporation (as defined in section 1361 of such Code), or a joint venture.”;
 - (2) in subsections (b) and (c) by striking “entity” through “Agricultural Act of 2014” in each place it appears and inserting “entity (except a qualified pass through entity) for any crop year under sections 1116 and 1117 of the Agriculture and Nutrition Act of 2018”;
 - (3) in subsection (d) by striking “associated” and all that follows through the end of the sentence and inserting “associated with subtitle B of title I of the Agriculture and Nutrition Act of 2018.”; and
 - (4) in subsection (f), by adding the end the following new paragraph:

“(9) ADMINISTRATION OF REDUCTION.—The Secretary shall apply any order described in section 1614(d)(1) of the Agricultural Act of 2014 (7 U.S.C. 9097(d)(1)) to payments under sections 1116 and 1117 of the Agriculture and Nutrition Act of 2018 prior to applying payment limitations under this section.”.
- (b) TREATMENT OF QUALIFIED PASS THROUGH ENTITIES.—Section 1001(e)(3)(B)(ii) of the Food Security Act of 1985 (7 U.S.C. 1308(e)(3)(B)(ii)) is amended—
- (1) in the heading, by striking “JOINT VENTURES AND GENERAL PARTNERSHIPS” and inserting “QUALIFIED PASS THROUGH ENTITIES”;
 - (2) by striking “joint venture or a general partnership” and inserting “qualified pass through entity”;
 - (3) by striking “joint ventures and general partnerships” and inserting “qualified pass through entities”; and
 - (4) by striking “joint venture or general partnership” and inserting “qualified pass through entity”.
- (c) CONFORMING AMENDMENTS.—

(1) TREATMENT OF FEDERAL AGENCIES AND STATE AND LOCAL GOVERNMENTS.—Section 1001(f) of the Food Security Act of 1985 (7 U.S.C. 1308(f)) is amended—

(A) in paragraph (5)(A), by striking “or title XII” and inserting “title I of the Agriculture and Nutrition Act of 2018, or title XII”; and

(B) in paragraph (6)(A), by striking “or title XII” and inserting “title I of the Agriculture and Nutrition Act of 2018, or title XII”.

(2) FOREIGN PERSONS INELIGIBLE.—Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended by inserting “title I of the Agriculture and Nutrition Act of 2018,” after “2014.”

(d) APPLICATION.—The amendments made by this section shall apply beginning with the 2019 crop year.

SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.

(a) LIMITATIONS.—Section 1001D(b)(2) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)(2)) is amended—

(1) in subparagraph (A), by striking “title I of the Agricultural Act of 2014” and inserting “title I of the Agriculture and Nutrition Act of 2018”; and

(2) in subparagraph (C)—

(A) by inserting “title II of the Agriculture and Nutrition Act of 2018,” after “under”; and

(B) by striking “Starting with fiscal year 2015, a” and inserting “A”;

(3) by striking subparagraphs (B) and (D); and

(4) by redesignating subparagraphs (C) and (E) as subparagraphs (B) and (C), respectively.

(b) EXCEPTIONS.—

(1) IN GENERAL.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended by adding at the end the following:

“(3) EXCEPTIONS.—

“(A) EXCEPTION FOR QUALIFIED PASS THROUGH ENTITIES.—Paragraph (1) shall not apply with respect to a qualified pass through entity (as such term is defined in section 1001(a)(5)).

“(B) WAIVER.—The Secretary may waive the limitation established by paragraph (1) with respect to a payment pursuant to a covered benefit described in paragraph (2)(B), on a case-by-case basis, if the Secretary determines that environmentally sensitive land of special significance would be protected as a result of such waiver.”

(2) CONFORMING AMENDMENTS.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—

(A) in subsection (b)(1), by inserting “subject to paragraph (3),” after “of law”; and

(B) in subsection (d), by striking “, general partnership, or joint venture” both places it appears.

(c) TRANSITION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a), as in effect on the day before the date of the enactment of this Act, shall apply with respect to the 2018 crop, fiscal, or program year, as appropriate, for each program described in subsection (b)(2) of that section (as so in effect on that day).

SEC. 1605. PREVENTION OF DECEASED INDIVIDUALS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) RECONCILIATION.—At least twice each year, the Secretary shall reconcile Social Security numbers of all individuals who receive payments under this title, whether directly or indirectly, with the Commissioner of Social Security to determine if the individuals are alive.

(b) PRECLUSION.—The Secretary shall preclude the issuance of payments to, and on behalf of, deceased individuals that were not eligible for payments.

SEC. 1606. ASSIGNMENT OF PAYMENTS.

(a) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under this title.

(b) NOTICE.—The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1607. TRACKING OF BENEFITS.

As soon as practicable after the date of enactment of this Act, the Secretary may track the benefits provided, directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

SEC. 1608. SIGNATURE AUTHORITY.

(a) **IN GENERAL.**—In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any person signing the document on behalf of the applicant or any other individual, entity, or qualified pass through entity (as such term is defined in paragraph (5) of section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a))) or the documents relied upon were determined inadequate or invalid, unless the person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.

(b) **AFFIRMATION.**—

(1) **IN GENERAL.**—Nothing in this section prohibits the Secretary from asking a proper party to affirm any document that otherwise would be considered approved under subsection (a).

(2) **NO RETROACTIVE EFFECT.**—A denial of benefits based on a lack of affirmation under paragraph (1) shall not be retroactive with respect to third-party producers who were not the subject of the erroneous representation of authority, if the third-party producers—

(A) relied on the prior approval by the Secretary of the documents in good faith; and

(B) substantively complied with all program requirements.

SEC. 1609. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284(a)) is amended by striking “this title” and all that follows through “unless” and inserting “this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), title I of the Agricultural Act of 2014, or Agriculture and Nutrition Act of 2018”.

SEC. 1610. IMPLEMENTATION.

(a) **MAINTENANCE OF BASE ACRES AND PAYMENT YIELDS.**—The Secretary shall maintain, for each covered commodity, base acres and payment yields on a farm established under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1102, 1108, and 1302 of such Act (7 U.S.C. 8711, 8712, 8718, 8752), as in effect on September 30, 2013, and as adjusted pursuant to sections 1112 and 1113 of the Agricultural Act of 2014 (7 U.S.C. 9012, 9013).

(b) **STREAMLINING.**—In implementing this title and amendments made by this title, the Secretary shall—

(1) continue to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements, including through the continuation of the Acreage Crop Reporting and Streamlining Initiative that, in part, shall ensure that—

(A) a producer (or an agent of a producer) may report information, electronically (including geospatial data) or conventionally, to the Department;

(B) upon the request of the producer (or agent thereof), the Department of Agriculture electronically shares with the producer (or agent) in real time and without cost to the producer (or agent) the common land unit data, related farm level data, and other information of the producer; and

(C) no agent, approved insurance provider, or employee or contractor of an agency or approved insurance provider, bears responsibility or liability under the Acreage Crop Reporting and Streamlining Initiative for the eligibility of a producer for programs administered by the Department of Agriculture that are not policies or plans of insurance offered under the Federal Crop Insurance Act (7 U.S.C. 1501 et. seq.) except in cases of misrepresentation, fraud, or scheme and device;

(2) continue to improve coordination, information sharing, and administrative work with the Farm Service Agency, Risk Management Agency, and the Natural Resources Conservation Service;

(3) continue to take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers; and

(4) reduce administrative burdens on producers by offering such producers an option to remotely and electronically sign annual contracts for participation in coverage under sections 1116 and 1117.

(c) **IMPLEMENTATION.**—The Secretary shall make available to the Farm Service Agency to carry out this title and amendments made by this title, \$25,000,000.

(d) **LOAN IMPLEMENTATION.**—

(1) **IN GENERAL.**—Section 1614(d)(1) of the Agricultural Act of 2014 (7 U.S.C. 9097(d)(1)) is amended—

(A) by inserting “or subtitles B and C of the Agriculture and Nutrition Act of 2018” after “this title”;

(B) by striking “made by subtitles B or C” and inserting “made by such subtitles”; and

(C) by inserting “of this title, and sections 1207(c) and 1208 of the Agriculture and Nutrition Act of 2018” after “1208”.

(2) REPAYMENT.—Section 1614(d)(2) of the Agricultural Act of 2014 (7 U.S.C. 9097(d)(2)) is amended—

(A) by striking “of subtitles B or C” and inserting “of subtitle B or C of this title, or subtitle B or C of the Agriculture and Nutrition Act of 2018”; and

(B) by striking “under subtitles B or C” and inserting “of subtitle B or C of this title, or subtitle B or C of the Agriculture and Nutrition Act of 2018”.

SEC. 1611. EXEMPTION FROM CERTAIN REPORTING REQUIREMENTS FOR CERTAIN PRODUCERS.

(a) DEFINITION OF EXEMPTED PRODUCER.—In this section, the term “exempted producer” means a producer or landowner eligible to participate in any conservation or commodity program administered by the Secretary.

(b) EXEMPTION.—Notwithstanding any other provision of law, including the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282; 31 U.S.C. 6101 note), the requirements of parts 25 and 170 of title 2, Code of Federal Regulations (and any successor regulations), shall not apply with respect to assistance received by an exempted producer from the Secretary, acting through the Natural Resources Conservation Service or the Farm Service Agency.

TITLE II—CONSERVATION

Subtitle A—Wetland Conservation

SEC. 2101. PROGRAM INELIGIBILITY.

Section 1221(d) of the Food Security Act of 1985 (16 U.S.C. 3821(d)) is amended—

(1) by striking “Except as provided” and inserting the following:

“(A) IN GENERAL.—Except as provided”; and

(2) by adding at the end the following:

“(B) DUTY OF THE SECRETARY.—Before determining that a person is ineligible for program benefits under this subsection, the Secretary shall determine that no exemption under section 1222 applies.”.

SEC. 2102. MINIMAL EFFECT REGULATIONS.

(a) IDENTIFICATION OF MINIMAL EFFECT EXEMPTIONS.—Section 1222(d) of the Food Security Act of 1985 (16 U.S.C. 3822(d)) is amended by inserting “not later than 180 days after the date of enactment of the Agriculture and Nutrition Act of 2018,” before “the Secretary shall identify”.

(b) MITIGATION BANKING.—Section 1222(k)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3822(k)(1)(B)) is amended to read as follows:

“(B) FUNDING.—

“(i) FUNDS OF COMMODITY CREDIT CORPORATION.—To carry out this paragraph, the Secretary shall use \$10,000,000 of the funds of the Commodity Credit Corporation beginning in fiscal year 2019, which funds shall remain available until expended.

“(ii) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under clause (i), there are authorized to be appropriated to the Secretary to carry out this paragraph \$5,000,000 for each of fiscal years 2019 through 2023.”.

Subtitle B—Conservation Reserve Program

SEC. 2201. CONSERVATION RESERVE.

(a) IN GENERAL.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking “2018” and inserting “2023”.

(b) ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking “; and” and inserting a semicolon;

- (B) in subparagraph (E), by striking the period at the end and inserting a semicolon; and
- (C) by adding at the end the following:
- “(F) fiscal year 2019, no more than 25,000,000 acres;
- “(G) fiscal year 2020, no more than 26,000,000 acres;
- “(H) fiscal year 2021, no more than 27,000,000 acres;
- “(I) fiscal year 2022, no more than 28,000,000 acres; and
- “(J) fiscal year 2023, no more than 29,000,000 acres.”;
- (2) in paragraph (2)—
- (A) by amending subparagraph (A) to read as follows:
- “(A) LIMITATION.—For purposes of applying the limitations in paragraph (1)—
- (1)—
- “(i) no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2014 through 2018 fiscal years;
- “(ii) the Secretary shall enroll and maintain in the conservation reserve not fewer than 3,000,000 acres of the land described in subsection (b)(3) by September 30, 2023; and
- “(iii) in carrying out clause (ii), to the maximum extent practicable, the Secretary shall maintain in the conservation reserve at any one time during—
- “(I) fiscal year 2019, 1,000,000 acres;
- “(II) fiscal year 2020, 1,500,000 acres;
- “(III) fiscal year 2021, 2,000,000 acres;
- “(IV) fiscal year 2022, 2,500,000 acres; and
- “(V) fiscal year 2023, 3,000,000 acres.”; and
- (B) by adding at the end the following:
- “(D) RESERVATION OF UNENROLLED ACRES.—If the Secretary is unable in a fiscal year to enroll enough acres of land described in subsection (b)(3) to meet the number of acres described in clause (ii) or (iii) of subparagraph (A) for the fiscal year, the Secretary shall reserve the remaining number of acres for that fiscal year for the enrollment of land described in subsection (b)(3), and that number of acres shall not be available for the enrollment of any other type of eligible land.”; and
- (3) by adding at the end the following:
- “(3) STATE ENROLLMENT RATES.—During each of fiscal years 2019 through 2023, to the maximum extent practicable, the Secretary shall carry out this subchapter in such a manner as to enroll and maintain acreage in the conservation reserve in accordance with historical State enrollment rates, considering—
- “(A) the average number of acres of all lands enrolled in the conservation reserve in each State during each of fiscal years 2007 through 2016;
- “(B) the average number of acres of all lands enrolled in the conservation reserve nationally during each of fiscal years 2007 through 2016; and
- “(C) the acres available for enrollment during each of fiscal years 2019 through 2023, excluding acres described in paragraph (2).
- “(4) FREQUENCY.—In carrying out this subchapter, for contracts that are not available on a continuous enrollment basis, the Secretary shall hold a signup not less often than once every other year.”.
- (c) DURATION OF CONTRACT.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended to read as follows:
- “(e) DURATION OF CONTRACT.—
- “(1) IN GENERAL.—Except as provided in paragraph (2), for the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.
- “(2) CERTAIN CONTINUOUS CONTRACTS.—With respect to contracts under this subchapter for the enrollment of land described in paragraph (4) or (5) of subsection (b), the Secretary shall enter into contracts of a period of 15 or 30 years.”.
- (d) ELIGIBILITY FOR CONSIDERATION.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—
- (1) by striking “On the expiration” and inserting the following:
- “(1) IN GENERAL.—On the expiration”; and
- (2) by adding at the end the following:
- “(2) REENROLLMENT LIMITATION FOR CERTAIN LAND.—Land subject to a contract entered into under this subchapter shall be eligible for only one reenrollment in the conservation reserve under paragraph (1) if the land is devoted to hardwood trees.”.

SEC. 2202. FARMABLE WETLAND PROGRAM.

(a) **PROGRAM REQUIRED.**—Section 1231B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended by striking “2018” and inserting “2023”.

(b) **ELIGIBLE ACREAGE.**—Section 1231B(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3831b(b)(2)) is amended to read as follows:

“(2) **BUFFER ACREAGE.**—Subject to subsections (c) and (d), an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, buffer acreage that, with respect to land described in subparagraph (A), (B), or (C) of paragraph (1)—

“(A) is contiguous to such land;

“(B) is used to protect such land; and

“(C) is of such width as the Secretary determines is necessary to protect such land, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds such land.”

(c) **PROGRAM LIMITATIONS.**—Section 1231B(c) of the Food Security Act of 1985 (16 U.S.C. 3831b(c)) is amended—

(1) in paragraph (1)(B), by striking “750,000” and inserting “500,000”;

(2) in paragraph (2), by striking “Subject to paragraph (3), any acreage” and inserting “Any acreage”; and

(3) by striking paragraphs (3) and (4).

(d) **DUTIES OF OWNERS AND OPERATORS.**—Section 1231B(e) of the Food Security Act of 1985 (16 U.S.C. 3831b(e)) is amended—

(1) in paragraph (2), by striking the semicolon and inserting “; and”;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(e) **DUTIES OF THE SECRETARY.**—Section 1231B(f) of the Food Security Act of 1985 (16 U.S.C. 3831b(f)) is amended—

(1) in paragraph (1), by striking “paragraphs (2) and (3)” and inserting “paragraph (2)”;

(2) in paragraph (2), by striking “section 1234(d)(2)(A)(ii)” and inserting “section 1234(d)(2)(A)”;

(3) by striking paragraph (3).

SEC. 2203. DUTIES OF OWNERS AND OPERATORS.

(a) **IN GENERAL.**—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (5), by inserting “, which may include the use of grazing in accordance with paragraph (8),” after “management on the land”; and

(2) by redesignating paragraphs (10) and (11) as paragraphs (11) and (12), respectively, and inserting after paragraph (9) the following:

“(10) on land devoted to hardwood or other trees, excluding windbreaks and shelterbelts, to carry out proper thinning and other practices to improve the condition of resources, promote forest management, and enhance wildlife habitat on the land.”

(b) **CONSERVATION PLANS.**—Section 1232(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3832(b)(2)) is amended by striking “, if any,”.

SEC. 2204. DUTIES OF THE SECRETARY.

(a) **COST-SHARE AND RENTAL PAYMENTS.**—Section 1233(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3833(a)(2)) is amended by striking “pay an annual rental payment in an amount necessary to compensate for” and inserting “pay an annual rental payment, in accordance with section 1234(d), for”.

(b) **SPECIFIED ACTIVITIES PERMITTED.**—Section 1233(b) of the Food Security Act of 1985 (16 U.S.C. 3833(b)) is amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A)—

(i) by striking “not less than 25 percent” and inserting “25 percent”;

and

(ii) by inserting “(except that vegetative cover may not be harvested for seed)” after “managed harvesting”;

(B) in subparagraph (A), by striking “; and” and inserting a semicolon;

(C) in subparagraph (B), by striking “is at least every 5 but not more than once every 3 years;” and inserting “contributes to the health and vigor of the established cover, and is not more than once every 3 years; and”;

(D) by adding at the end the following:

“(C) shall ensure that 25 percent of the acres covered by the contract are not harvested, in accordance with an approved plan that provides for wildlife cover and shelter.”;

(2) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking “not less than 25 percent” and inserting “25 percent”; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking “routine grazing, except that in permitting such routine grazing” and inserting “grazing, except that in permitting such grazing”;

(ii) in clause (i), by striking “continued routine grazing; and” and inserting “grazing;”;

(iii) in clause (ii)—

(I) in the matter preceding subclause (I), by striking “routine grazing may be conducted, such that the frequency is not more than once every 2 years” and inserting “grazing may be conducted, such that the frequency contributes to the health and vigor of the established cover”;

(II) in subclause (II), by striking “the number of years that should be required between routine” and inserting “the appropriate frequency and duration of”; and

(III) in subclause (III), by striking “routine” each place it appears; and

(iv) by adding at the end the following:

“(iii) shall ensure that the grazing is conducted in accordance with an approved plan that does not restrict grazing during the primary nesting season and will reduce the stocking rate determined under clause (i) by 50 percent; and”;

(3) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;

(4) by inserting after paragraph (3) the following:

“(4) grazing during the applicable normal grazing period determined under subclause (I) of section 1501(c)(3)(D)(i) of the Agricultural Act of 2014 (7 U.S.C. 9081(c)(3)(D)(i)), without any restriction on grazing during the primary nesting period, subject to the condition that the grazing shall be at 50 percent of the normal carrying capacity determined under that subclause.”;

(5) in paragraph (5), as so redesignated, by striking “; and” and inserting “and retains suitable vegetative structure for wildlife cover and shelter;”;

(6) in paragraph (6)(C), as so redesignated, by striking the period at the end and inserting “; and”; and

(7) by adding at the end the following:

“(7) grazing pursuant to section 1232(a)(5), without any reduction in the rental rate, if the grazing is consistent with the conservation of soil, water quality, and wildlife habitat.”.

(c) **NATURAL DISASTER OR ADVERSE WEATHER AS MID-CONTRACT MANAGEMENT.**—Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended by adding at the end the following:

“(e) **NATURAL DISASTER OR ADVERSE WEATHER AS MID-CONTRACT MANAGEMENT.**—In the case of a natural disaster or adverse weather event that has the effect of a management practice consistent with the conservation plan, the Secretary shall not require further management practices pursuant to section 1232(a)(5) that are intended to achieve the same effect.”.

SEC. 2205. PAYMENTS.

(a) **COST SHARING PAYMENTS.**—Section 1234(b) of the Food Security Act of 1985 (16 U.S.C. 3834(b)) is amended—

(1) in paragraph (1), by striking “50 percent” and inserting “not more than 40 percent”;

(2) by amending paragraph (2) to read as follows:

“(2) **LIMITATIONS.**—

“(A) **EXCEPTION FOR SEED COSTS.**—In the case of seed costs related to the establishment of cover, cost share shall not exceed 25 percent of the total cost of the seed mixture.

“(B) **ADDITIONAL INCENTIVE PAYMENTS.**—Except as provided in subsection (c), the Secretary may not make additional incentive payments beyond the actual cost of installing measures and practices described in paragraph (1).

“(C) **MID-CONTRACT MANAGEMENT GRAZING.**—The Secretary may not make any cost sharing payment to an owner or operator under this subchapter pursuant to section 1232(a)(5).”;

(3) by striking paragraphs (3) and (4) and redesignating paragraph (5) as paragraph (3).

(b) **INCENTIVE PAYMENTS.**—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended—

- (1) in the subsection heading, by striking “INCENTIVE” and inserting “FOREST MANAGEMENT PAYMENT”;
- (2) in paragraph (1), by striking “The Secretary” and inserting “Using funds made available under section 1241(a)(1)(A), the Secretary”; and
- (3) in paragraph (2), by striking “150 percent” and inserting “100 percent”.
- (c) ANNUAL RENTAL PAYMENTS.—Section 1234(d) of the Food Security Act of 1985 (16 U.S.C. 3834(d)) is amended—
- (1) in paragraph (1)—
- (A) by striking “less intensive use, the Secretary may consider” and inserting the following: “less intensive use—
- “(A) the Secretary may consider”;
- (B) by striking the period at the end and inserting “; and”; and
- (C) by adding at the end the following:
- “(B) the Secretary shall consider the impact on the local farmland rental market.”;
- (2) in paragraph (2)—
- (A) by amending subparagraph (A) to read as follows:
- “(A) IN GENERAL.—
- “(i) INITIAL ENROLLMENT.—The amounts payable to an owner or operator in the form of annual rental payments under a contract entered into under this subchapter with respect to land that has not previously been subject to such a contract shall be not more than 80 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the contract is entered into.
- “(ii) MULTIPLE ENROLLMENTS.—If land subject to a contract entered into under this subchapter is reenrolled in the conservation reserve under section 1231(h)(1)—
- “(I) for the first such reenrollment, the annual rental payment shall be in an amount that is not more than 65 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs;
- “(II) for the second such reenrollment, the annual rental payment shall be in an amount that is not more than 55 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs;
- “(III) for the third such reenrollment, the annual rental payment shall be in an amount that is not more than 45 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs; and
- “(IV) for the fourth such reenrollment, the annual rental payment shall be in an amount that is not more than 35 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs.”; and
- (B) in subparagraph (B), by striking “In the case” and inserting “Notwithstanding subparagraph (A), in the case”;
- (3) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4); and
- (4) in paragraph (4), as so redesignated—
- (A) by striking “cash” each place it appears;
- (B) in subparagraph (A)—
- (i) by striking “, not less frequently than once every other year,” and inserting “annually”; and
- (ii) by inserting “, and shall publish the estimates derived from such survey not later than September 15 of each year” before the period at the end; and
- (C) in subparagraph (C)—
- (i) by striking “may” and inserting “shall”; and
- (ii) by striking “as a factor in determining” and inserting “to determine”.
- (d) PAYMENT LIMITATION FOR RENTAL PAYMENTS.—Section 1234(g)(2) of the Food Security Act of 1985 (16 U.S.C. 3834(g)(2)) is amended by adding at the end the following:
- “(C) LIMITATION ON PAYMENTS.—Payments under subparagraph (B) shall not exceed 50 percent of the cost of activities carried out under the applicable agreement entered into under such subparagraph.”.

SEC. 2206. CONTRACTS.

(a) **EARLY TERMINATION BY OWNER OR OPERATOR.**—Section 1235(e)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(1)(A)) is amended by striking “2015” and inserting “2019”.

(b) **TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.**—Section 1235(f) of the Food Security Act of 1985 (16 U.S.C. 3835(f)) is amended—

(1) in paragraph (1)—

(A) by amending subparagraph (A) to read as follows:

“(A) beginning on the date that is 1 year before the date of termination of the contract, allow the covered farmer or rancher, in conjunction with the retired or retiring owner or operator, to make conservation and land improvements, including preparing to plant an agricultural crop;”;

(B) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and inserting after subparagraph (A) the following:

“(B) beginning on the date that is 3 years before the date of termination of the contract, allow the covered farmer or rancher to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);”;

(C) in subparagraph (D), as so redesignated, by inserting “, and provide to such farmer or rancher technical and financial assistance to carry out the requirements of the plan, if any” before the semicolon at the end; and

(D) in subparagraph (E), as so redesignated, by striking “the conservation stewardship program or”; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking “The Secretary” and inserting “To the extent the maximum number of acres permitted to be enrolled under the program has not been met, the Secretary”; and

(B) in subparagraph (A), by striking “eligible for enrollment under the continuous signup option pursuant to section 1234(d)(2)(A)(ii)” and inserting “is carried out on land described in paragraph (4) or (5) of section 1231(b)”.

(c) **END OF CONTRACT CONSIDERATIONS.**—Section 1235(g) of the Food Security Act of 1985 (16 U.S.C. 3835(g)) is amended to read as follows:

“(g) **END OF CONTRACT CONSIDERATIONS.**—The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—

“(1) during the year prior to expiration of the contract, the owner or operator—

“(A) enters into an environmental quality incentives program contract; and

“(B) begins the establishment of an environmental quality incentives practice; or

“(2) during the three years prior to the expiration of the contract, the owner or operator begins the certification process under the Organic Foods Production Act of 1990.”.

Subtitle C—Environmental Quality Incentives Program

SEC. 2301. DEFINITIONS.

(a) **PRACTICE.**—Section 1240A(4)(B) of the Food Security Act of 1985 (16 U.S.C. 3839aa–1(4)(B)) is amended—

(1) in clause (i), by striking “; and” and inserting a semicolon; and

(2) by redesignating clause (ii) as clause (iv) and inserting after clause (i) the following:

“(ii) precision conservation management planning;

“(iii) the use of cover crops and resource conserving crop rotations;

and”.

(b) **PRIORITY RESOURCE CONCERN.**—Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following:

“(5) **PRIORITY RESOURCE CONCERN.**—The term ‘priority resource concern’ means a natural resource concern or problem, as determined by the Secretary, that—

“(A) is identified at the national, State, or local level as a priority for a particular area of a State; and

“(B) represents a significant concern in a State or region.”

(c) STEWARDSHIP PRACTICE.—Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended by adding at the end the following:

“(7) STEWARDSHIP PRACTICE.—The term ‘stewardship practice’ means a practice or set of practices approved by the Secretary that, when implemented and maintained on eligible land, address 1 or more priority resource concerns.”.

SEC. 2302. ESTABLISHMENT AND ADMINISTRATION.

(a) ESTABLISHMENT.—Section 1240B(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is amended by striking “2019” and inserting “2023”.

(b) ALLOCATION OF FUNDING.—Section 1240B(f) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(f)) is amended to read as follows:

“(f) ALLOCATION OF FUNDING.—For each of fiscal years 2014 through 2023, at least 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).”.

(c) WATER CONSERVATION OR IRRIGATION EFFICIENCY PRACTICE.—Section 1240B(h) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(h)) is amended—

(1) by amending paragraph (1) to read as follows:

“(1) AVAILABILITY OF PAYMENTS.—The Secretary may provide water conservation and system efficiency payments under this subsection to a producer for—

“(A) a water conservation scheduling technology or water conservation scheduling management;

“(B) irrigation-related structural practices; or

“(C) a transition to water-conserving crops or water-conserving crop rotations.”;

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following:

“(2) LIMITED ELIGIBILITY OF IRRIGATION DISTRICTS, IRRIGATION ASSOCIATIONS, AND ACEQUIAS.—

“(A) IN GENERAL.—Notwithstanding section 1001(f)(6), the Secretary may enter into a contract under this subsection with an irrigation district, irrigation association, or acequia to implement water conservation or irrigation practices pursuant to a watershed-wide project that will effectively conserve water, as determined by the Secretary.

“(B) IMPLEMENTATION.—Water conservation or irrigation practices that are the subject of a contract entered into under this paragraph shall be implemented on—

“(i) eligible land of a producer; or

“(ii) land that is under the control of the irrigation district, irrigation association, or acequia, and adjacent to such eligible land, as determined by the Secretary.

“(C) WAIVER AUTHORITY.—The Secretary may waive the applicability of the limitations in section 1001D(b)(2) or section 1240G of this Act for a payment made under a contract entered into under this paragraph if the Secretary determines that such a waiver is necessary to fulfill the objectives of the project.

“(D) CONTRACT LIMITATIONS.—If the Secretary grants a waiver under subparagraph (C), the Secretary may impose a separate payment limitation for the contract with respect to which the waiver applies.”; and

(3) in paragraph (3), as so redesignated—

(A) in the matter preceding subparagraph (A), by striking “to a producer” and inserting “under this subsection”;

(B) in subparagraph (A), by striking “the eligible land of the producer is located, there is a reduction in water use in the operation of the producer” and inserting “the land on which the practices will be implemented is located, there is a reduction in water use in the operation on such land”; and

(C) in subparagraph (B), by inserting “with respect to an application under paragraph (1),” before “the producer agrees”.

(d) STEWARDSHIP CONTRACTS.—Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended by adding at the end the following:

“(j) STEWARDSHIP CONTRACTS.—

“(1) IDENTIFICATION OF ELIGIBLE PRIORITY RESOURCE CONCERNS FOR STATES.—

“(A) IN GENERAL.—The Secretary, in consultation with the State technical committee, shall identify priority resource concerns within a State that are eligible to be the subject of a stewardship contract under this subsection.

“(B) LIMITATION.—The Secretary shall identify not more than 3 eligible priority resource concerns under subparagraph (A) within each area of a State.

“(2) CONTRACTS.—

“(A) IN GENERAL.—The Secretary shall enter into contracts with producers under this subsection that—

- “(i) provide incentives, through annual payments, to producers to attain increased conservation stewardship on eligible land;
- “(ii) adopt and install a stewardship practice to effectively address a priority resource concern identified as eligible under paragraph (1); and
- “(iii) require management and maintenance of such stewardship practice for the term of the contract.

“(B) TERM.—A contract under this subsection shall have a term of not less than 5, nor more than 10, years.

“(C) PRIORITIZATION.—Section 1240C(b) shall not apply to applications for contracts under this subsection.

(3) STEWARDSHIP PAYMENTS.—

“(A) IN GENERAL.—The Secretary shall provide payments to producers through contracts entered into under paragraph (2) for—

- “(i) adopting and installing stewardship practices; and
- “(ii) managing, maintaining, and improving the stewardship practices for the duration of the contract, as determined appropriate by the Secretary.

“(B) PAYMENT AMOUNTS.—In determining the amount of payments under subparagraph (A), the Secretary shall consider, to the extent practicable—

- “(i) the level and extent of the stewardship practice to be installed, adopted, completed, maintained, managed, or improved;
- “(ii) the cost of the installation, adoption, completion, management, maintenance, or improvement of the stewardship practice;
- “(iii) income foregone by the producer; and
- “(iv) the extent to which compensation would ensure long-term continued maintenance, management, and improvement of the stewardship practice.

“(C) LIMITATION.—The total amount of payments a person or legal entity receives pursuant to subparagraph (A) shall not exceed \$50,000 for any fiscal year.

“(4) RESERVATION OF FUNDS.—The Secretary may use not more than 50 percent of the funds made available under section 1241 to carry out this chapter for payments made pursuant to this subsection.”

SEC. 2303. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is amended by inserting “or the period of fiscal years 2019 through 2023,” after “2018,”.

SEC. 2304. CONSERVATION INNOVATION GRANTS AND PAYMENTS.

(a) COMPETITIVE GRANTS FOR INNOVATIVE CONSERVATION APPROACHES.—Section 1240H(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-8(a)) is amended—

- (1) in paragraph (1), by inserting “use not more than \$25,000,000 in each of fiscal years 2019 through 2023 to” after “the Secretary may”; and
- (2) in paragraph (2)(A), by inserting “or persons participating in an educational activity through an institution of higher education, including by carrying out demonstration projects on lands of the institution” before the semicolon at the end.

(b) AIR QUALITY CONCERNS FROM AGRICULTURAL OPERATIONS.—Section 1240H(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-8(b)(2)) is amended by inserting “, and \$37,500,000 for each of fiscal years 2019 through 2023” after “2018”.

(c) ON-FARM CONSERVATION INNOVATION TRIALS; REPORTING AND DATABASE.—Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended by striking subsection (c) and inserting the following:

“(c) ON-FARM CONSERVATION INNOVATION TRIALS.—

“(1) IN GENERAL.—Using not more than \$25,000,000 of the funds made available to carry out this chapter in each of fiscal years 2019 through 2023, the Secretary shall carry out on-farm conservation innovation trials, on eligible land of producers, to test new or innovative conservation approaches—

- “(A) directly with producers; or
- “(B) through eligible entities.

“(2) INCENTIVE PAYMENTS.—

“(A) AGREEMENTS.—In carrying out paragraph (1), the Secretary shall enter into agreements with producers on whose land an on-farm conservation innovation trial is being carried out to provide payments (including payments to compensate for foregone income, as appropriate to address the increased economic risk potentially associated with new or innovative con-

servation approaches) to the producers to assist with adopting and evaluating new or innovative conservation approaches.

“(B) LENGTH OF INCENTIVES.—An agreement entered into under subparagraph (A) shall be for a period determined by the Secretary that is—

“(i) not less than 3 years; and

“(ii) if appropriate, more than 3 years, including if such a period is appropriate to support—

“(I) adaptive management over multiple crop years; and

“(II) adequate data collection and analysis to report the natural resource and agricultural production benefits of the new or innovative conservation approaches.

“(3) FLEXIBLE ADOPTION.—A producer or eligible entity participating in an on-farm conservation innovation trial under paragraph (1) may determine the scale of adoption of the new or innovative conservation approaches in the on-farm conservation innovation trial, which may include multiple scales on an operation, including whole farm, field-level, or sub-field scales.

“(4) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance—

“(A) to a producer or eligible entity participating in an on-farm conservation innovation trial under paragraph (1), with respect to the design, installation, and management of the new or innovative conservation approaches; and

“(B) to an eligible entity participating in an on-farm conservation innovation trial under paragraph (1), with respect to data analyses of the on-farm conservation innovation trial.

“(5) DEFINITIONS.—In this subsection:

“(A) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a third-party private entity the primary business of which is related to agriculture.

“(B) NEW OR INNOVATIVE CONSERVATION APPROACHES.—The term ‘new or innovative conservation approaches’ means—

“(i) new or innovative—

“(I) precision agriculture technologies;

“(II) enhanced nutrient management plans, nutrient recovery systems, and fertilization systems;

“(III) soil health management systems;

“(IV) water management systems;

“(V) resource-conserving crop rotations;

“(VI) cover crops; and

“(VII) irrigation systems; and

“(ii) any other conservation approach approved by the Secretary as new or innovative.

“(d) REPORTING AND DATABASE.—

“(1) REPORT REQUIRED.—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of activities funded under this section, including—

“(A) funding awarded;

“(B) results of the activities; and

“(C) incorporation of findings from the activities, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.

“(2) CONSERVATION PRACTICE DATABASE.—

“(A) IN GENERAL.—The Secretary shall use the data reported under paragraph (1) to establish and maintain a publicly available conservation practice database that provides—

“(i) a compilation and analysis of effective conservation practices for soil health, nutrient management, and source water protection in varying soil compositions, cropping systems, slopes, and landscapes; and

“(ii) a list of recommended new and effective conservation practices.

“(B) PRIVACY.—Information provided under subparagraph (A) shall be transformed into a statistical or aggregate form so as to not include any identifiable or personal information of individual producers.”.

Subtitle D—Other Conservation Programs

SEC. 2401. CONSERVATION OF PRIVATE GRAZING LAND.

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking “2018” and inserting “2023”.

SEC. 2402. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1240O(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)(1)) is amended by striking “2018” and inserting “2023”.

(b) AVAILABILITY OF FUNDS.—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended by adding at the end the following:

“(3) ADDITIONAL FUNDING.—In addition to any other funds made available under this subsection, of the funds of the Commodity Credit Corporation, the Secretary shall use \$5,000,000 beginning in fiscal year 2019, to remain available until expended.”.

SEC. 2403. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

Section 1240R(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)(1)) is amended—

- (1) by striking “2012 and” and inserting “2012,”; and
- (2) by inserting “, and \$50,000,000 for the period of fiscal years 2019 through 2023” before the period at the end.

SEC. 2404. WATERSHED PROTECTION AND FLOOD PREVENTION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking “2018” and inserting “2023”.

(b) FUNDS OF COMMODITY CREDIT CORPORATION.—The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) is amended by adding at the end the following:

“SEC. 15. FUNDING.

“In addition to any other funds made available by this Act, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this Act \$100,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.”.

SEC. 2405. FERAL SWINE ERADICATION AND CONTROL PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture shall establish a feral swine eradication and control pilot program to respond to the threat feral swine pose to agriculture, native ecosystems, and human and animal health.

(b) DUTIES OF THE SECRETARY.—In carrying out the pilot program, the Secretary shall—

- (1) study and assess the nature and extent of damage to the pilot areas caused by feral swine;
- (2) develop methods to eradicate or control feral swine in the pilot areas;
- (3) develop methods to restore damage caused by feral swine; and
- (4) provide financial assistance to agricultural producers in pilot areas.

(c) ASSISTANCE.—The Secretary may provide financial assistance to agricultural producers under the pilot program to implement methods to—

- (1) eradicate or control feral swine in the pilot areas; and
- (2) restore damage caused by feral swine.

(d) COORDINATION.—The Secretary shall ensure that the Natural Resources Conservation Service and the Animal and Plant Health Inspection Service coordinate for purposes of this section through State technical committees established under section 1261 of the Food Security Act of 1985.

(e) PILOT AREAS.—The Secretary shall carry out the pilot program in areas of States in which feral swine have been identified as a threat to agriculture, native ecosystems, or human or animal health, as determined by the Secretary.

(f) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the costs activities under the pilot program may not exceed 75 percent of the total costs of such activities.

(2) IN-KIND CONTRIBUTIONS.—The non-Federal share of the costs of activities under the pilot program may be provided in the form of in-kind contributions of materials or services.

(g) FUNDING.—

(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$100,000,000 for the period of fiscal years 2019 through 2023.

(2) DISTRIBUTION OF FUNDS.—Of the funds made available under paragraph (1)—

(A) 50 percent shall be allocated to the Natural Resources Conservation Service to carry out the pilot program, including the provision of financial assistance to producers for on-farm trapping and technology related to capturing and confining feral swine; and

(B) 50 percent shall be allocated to the Animal and Plant Health Inspection Service to carry out the pilot program, including the use of established, and testing of innovative, population reduction methods.

(3) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 10 percent of funds made available under this section may be used for administrative expenses of the pilot program.

SEC. 2406. EMERGENCY CONSERVATION PROGRAM.

(a) REPAIR OR REPLACEMENT OF FENCING.—

(1) IN GENERAL.—Section 401 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201) is amended—

(A) by striking the section designation and all that follows through “The Secretary of Agriculture” and inserting the following:

“SEC. 401. PAYMENTS TO PRODUCERS.

“(a) IN GENERAL.—The Secretary of Agriculture (referred to in this title as the ‘Secretary’):

(B) in subsection (a), as so designated, by inserting “wildfires,” after “hurricanes,”; and

(C) by adding at the end the following:

“(b) REPAIR OR REPLACEMENT OF FENCING.—With respect to a payment to an agricultural producer under subsection (a) for the repair or replacement of fencing, the Secretary shall give the agricultural producer the option of receiving the payment, determined based on the applicable percentage of the fair market value of the cost of the repair or replacement, as determined by the Secretary, before the agricultural producer carries out the repair or replacement.”.

(2) CONFORMING AMENDMENTS.—

(A) Sections 402, 403, 404, and 405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2202, 2203, 2204, 2205) are amended by striking “Secretary of Agriculture” each place it appears and inserting “Secretary”.

(B) Section 407(a) of the Agricultural Credit Act of 1978 (16 U.S.C. 2206(a)) is amended by striking paragraph (4).

(b) COST SHARE PAYMENTS.—Title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.) is amended by inserting after section 402 the following:

“SEC. 402A. COST SHARE REQUIREMENT.

“(a) COST-SHARE RATE.—The maximum cost-share payment under section 401 and section 402 shall not exceed 75 percent of the total allowable cost, as determined by the Secretary.

“(b) EXCEPTION.—Notwithstanding subsection (a), a qualified limited resource, socially disadvantaged, or beginning farmer or rancher payment under section 401 and 402 shall not exceed 90 percent of the total allowable cost, as determined by the Secretary.

“(c) LIMITATION.—In no case shall the total payment under section 401 and 402 for a single event exceed 50 percent of what the Secretary has determined to be the agriculture value of the land.”.

Subtitle E—Funding and Administration

SEC. 2501. COMMODITY CREDIT CORPORATION.

(a) ANNUAL FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “2018 (and fiscal year 2019 in the case of the program specified in paragraph (5))” and inserting “2023”;

(2) in paragraph (1), by striking “2018” each place it appears and inserting “2023”;

(3) in paragraph (2)—

(A) in subparagraph (D), by striking “and” at the end;

(B) in subparagraph (E), by striking the period at the end and inserting “, and”; and

(C) by adding at the end the following:

“(F) \$500,000,000 for each of fiscal years 2019 through 2023.”;

(4) by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(5) in paragraph (3) (as so redesignated), by inserting “, as in effect on the day before the date of enactment of the Agriculture and Nutrition Act of 2018, using such sums as are necessary to administer contracts entered into before the earlier of September 30, 2018, or such date of enactment” before the period at the end; and

(6) in paragraph (4) (as so redesignated)—

(A) in subparagraph (D), by striking “and” at the end;

(B) in subparagraph (E), by striking “each of fiscal years 2018 through 2019.” and inserting “fiscal year 2018;”;

(C) by adding at the end the following:

“(F) \$2,000,000,000 for fiscal year 2019;

“(G) \$2,500,000,000 for fiscal year 2020;

“(H) \$2,750,000,000 for fiscal year 2021;

“(I) \$2,935,000,000 for fiscal year 2022; and

“(J) \$3,000,000,000 for fiscal year 2023.”

(b) AVAILABILITY OF FUNDS.—Section 1241(b) of the Food Security Act of 1985 (16 U.S.C. 3841(b)) is amended by striking “2018 (and fiscal year 2019 in the case of the program specified in subsection (a)(5))” and inserting “2023”.

(c) TECHNICAL ASSISTANCE.—Section 1241(c) of the Food Security Act of 1985 (16 U.S.C. 3841(c)) is amended—

(1) by amending paragraph (2) to read as follows:

“(2) PRIORITY.—In the delivery of technical assistance under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.), the Secretary shall give priority to producers who request technical assistance from the Secretary in order to comply for the first time with the requirements of subtitle B and subtitle C of this title as a result of the amendments made by section 2611 of the Agricultural Act of 2014.”; and

(2) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(d) REGIONAL EQUITY.—

(1) IN GENERAL.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (e) and redesignating subsections (f) through (i) as subsections (e) through (h), respectively.

(2) CONFORMING AMENDMENTS.—Section 1221(c) of the Food Security Act of 1985 (16 U.S.C. 3821(c)) is amended by striking “1241(f)” and inserting “1241(e)” each place it appears.

(e) RESERVATION OF FUNDS TO PROVIDE ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.—Section 1241(g) of the Food Security Act of 1985 (as redesignated by subsection (d) of this section) is amended—

(1) in paragraph (1), by striking “2018 to carry out the environmental quality incentives program and the acres made available for each of such fiscal years to carry out the conservation stewardship program” and inserting “2023 to carry out the environmental quality incentives program”; and

(2) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(f) REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.—Section 1241(h) of the Food Security Act of 1985 (as redesignated by subsection (d) of this section) is amended to read as follows:

“(h) REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.—Not later than December 15 of each of calendar years 2018 through 2023, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report containing statistics by State related to enrollments in conservation programs under this subtitle, as follows:

“(1) The annual and current cumulative activity reflecting active agreement and contract enrollment statistics.

“(2) Secretarial exceptions, waivers, and significant payments, including—

“(A) payments made under the agricultural conservation easement program for easements valued at \$250,000 or greater;

“(B) payments made under the regional conservation partnership program subject to the waiver of adjusted gross income limitations pursuant to section 1271C(c)(3);

“(C) waivers granted by the Secretary under section 1001D(b)(3) of this Act;

“(D) exceptions and activity associated with section 1240B(h)(2); and

“(E) exceptions provided by the Secretary under section 1265B(b)(2)(C).”.

SEC. 2502. DELIVERY OF TECHNICAL ASSISTANCE.

(a) DEFINITIONS.—Section 1242(a) of the Food Security Act of 1985 (16 U.S.C. 3842(a)) is amended to read as follows:

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE PARTICIPANT.—The term ‘eligible participant’ means a producer, landowner, or entity that is participating in, or seeking to participate in, programs in which the producer, landowner, or entity is otherwise eligible to participate under this title.

“(2) THIRD-PARTY PROVIDER.—The term ‘third-party provider’ means a commercial entity (including a farmer cooperative, agriculture retailer, or other commercial entity (as defined by the Secretary)), a nonprofit entity, a State or local government (including a conservation district), or a Federal agency, that has expertise in the technical aspect of conservation planning, including nutrient management planning, watershed planning, or environmental engineering.”.

(b) CERTIFICATION OF THIRD-PARTY PROVIDERS.—Section 1242(e) of the Food Security Act of 1985 (16 U.S.C. 3842(e)) is amended by adding at the end the following:

“(4) ALTERNATIVE CERTIFICATION.—

“(A) IN GENERAL.—In carrying out this subsection, the Secretary shall approve any qualified certification that the Secretary determines meets or exceeds the national criteria provided under paragraph (3)(B).

“(B) QUALIFIED CERTIFICATION.—In this paragraph, the term ‘qualified certification’ means a professional certification that is established by the Secretary, an agriculture retailer, a farmer cooperative, the American Society of Agronomy, or the National Alliance of Independent Crop Consultants, including certification—

“(i) as a Certified Crop Advisor by the American Society of Agronomy;

“(ii) as a Certified Professional Agronomist by the American Society of Agronomy; and

“(iii) as a Comprehensive Nutrient Management Plan Specialist by the Secretary.”.

SEC. 2503. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) by striking subsection (m);

(2) by redesignating subsections (i) through (l) as subsections (j) through (m), respectively, and inserting after subsection (h) the following:

“(i) SOURCE WATER PROTECTION THROUGH TARGETING OF AGRICULTURAL PRACTICES.—

“(1) IN GENERAL.—In carrying out any conservation program administered by the Secretary, the Secretary shall encourage practices that relate to water quality and water quantity that protect source waters for drinking water (including protecting against public health threats) while also benefitting agricultural producers.

“(2) COLLABORATION WITH WATER SYSTEMS AND INCREASED INCENTIVES.—In encouraging practices under paragraph (1), the Secretary shall—

“(A) work collaboratively with community water systems and State technical committees established under section 1261 to identify, in each State, local priority areas for the protection of source waters for drinking water; and

“(B) offer to producers increased incentives and higher payment rates than are otherwise statutorily authorized through conservation programs administered by the Secretary for practices that result in significant environmental benefits that the Secretary determines—

“(i) relate to water quality or water quantity; and

“(ii) occur primarily outside of the land on which the practices are implemented.

“(3) RESERVATION OF FUNDS.—In each of fiscal years 2019 through 2023, the Secretary shall use, to carry out this subsection, not less than 10 percent of any funds available with respect to each conservation program administered by the Secretary under this title except the conservation reserve program.”; and

(3) in subsection (m), as so redesignated, by striking “the conservation stewardship program under subchapter B of chapter 2 of subtitle D and”.

SEC. 2504. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES.

Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended by adding at the end the following:

“(14) The State 1862 Institution (as defined in section 2(1) of the Agricultural Research, Extension, and Education Reform Act of 1998).”.

Subtitle F—Agricultural Conservation Easement Program

SEC. 2601. ESTABLISHMENT AND PURPOSES.

Section 1265(b) of the Food Security Act of 1985 (16 U.S.C. 3865(b)) is amended—

- (1) in paragraph (3), by inserting “that negatively affect the agricultural uses and conservation values” after “that land”; and
- (2) in paragraph (4), by striking “restoring and” and inserting “restoring or”.

SEC. 2602. DEFINITIONS.

(a) AGRICULTURAL LAND EASEMENT.—Section 1265A(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3865a(1)(B)) is amended by striking “subject to an agricultural land easement plan, as approved by the Secretary”.

(b) ELIGIBLE LAND.—Section 1265A(3) of the Food Security Act of 1985 (16 U.S.C. 3865a(3)) is amended—

(1) by amending subparagraph (A)(iii)(VI) to read as follows:

“(VI) nonindustrial private forest land that contributes to the economic viability of an offered parcel, or serves as a buffer to protect such land from development, which may include up to 100 percent of the parcel if the Secretary determines enrolling the land is important to protect a forest to provide significant conservation benefits;”;

(2) in subparagraph (B)(i)(II), by striking “, as determined by the Secretary in consultation with the Secretary of the Interior at the local level”.

(c) MONITORING REPORT.—Section 1265A of the Food Security Act of 1985 (16 U.S.C. 3865a) is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and inserting after paragraph (3) the following:

“(4) MONITORING REPORT.—The term ‘monitoring report’ means a report, the contents of which are formulated and prepared by the holder of an agricultural land easement, that documents whether the land subject to the agricultural land easement is in compliance with the terms and conditions of the agricultural land easement.”.

SEC. 2603. AGRICULTURAL LAND EASEMENTS.

(a) AVAILABILITY OF ASSISTANCE.—Section 1265B(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3865b(a)(2)) is amended by striking “provide for the conservation of natural resources pursuant to an agricultural land easement plan” and inserting “implement the program”.

(b) COST-SHARE ASSISTANCE.—

(1) SCOPE OF ASSISTANCE AVAILABLE.—Section 1265B(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3865b(b)(2)) is amended by striking subparagraphs (B) and (C) and inserting the following:

“(B) NON-FEDERAL SHARE.—An eligible entity may use for any part of its share—

“(i) a cash contribution;

“(ii) a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the landowner from which the agricultural land easement will be purchased; or

“(iii) funding from a Federal source other than the Department of Agriculture.

“(C) GRASSLANDS EXCEPTION.—In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.”.

(2) EVALUATION AND RANKING OF APPLICATIONS.—Section 1265B(b)(3) of the Food Security Act of 1985 (16 U.S.C. 3865b(b)(3)) is amended by redesignating subparagraph (C) as subparagraph (D) and inserting after subparagraph (B) the following:

“(C) ACCOUNTING FOR GEOGRAPHIC DIFFERENCES.—The Secretary shall, in coordination with State technical committees, adjust the criteria established under subparagraph (A) to account for geographic differences among States, if such adjustments—

“(i) meet the purposes of the program; and

“(ii) continue to maximize the benefit of the Federal investment under the program.”.

(3) AGREEMENTS WITH ELIGIBLE ENTITIES.—Section 1265B(b)(4) of the Food Security Act of 1985 (16 U.S.C. 3865b(b)(4)) is amended—

- (A) in subparagraph (C)—
- (i) in clause (i), by inserting “and the agricultural use of the land that is subject to the agricultural land easement” after “the program”; and
 - (ii) by striking clauses (iii) and (iv) and inserting the following:
 - “(iii) include a right of enforcement for the Secretary that—
 - “(I) may be used only if the terms and conditions of the easement are not enforced by the eligible entity; and
 - “(II) does not extend to a right of inspection unless the holder of the easement fails to provide monitoring reports in a timely manner;
 - “(iv) include a conservation plan only for any portion of the land subject to the agricultural land easement that is highly erodible cropland; and”;
- (B) in subparagraph (E)(ii), by inserting “in the case of fraud or gross negligence,” before “the Secretary may require”; and
- (C) by adding at the end the following:
- “(F) MINERAL DEVELOPMENT.—Upon request by an eligible entity, the Secretary shall allow, under an agreement under this subsection, mineral development on land subject to the agricultural land easement, if the Secretary determines that the mineral development—
- “(i) has limited and localized effects;
 - “(ii) is not irretrievably destructive of significant conservation interests; and
 - “(iii) would not alter or affect the topography or landscape.
- “(G) ENVIRONMENTAL SERVICES MARKETS.—The Secretary may not prohibit, through an agreement under this subsection, an owner of land subject to the agricultural land easement from participating in, and receiving compensation from, an environmental services market if a purpose of the market is the facilitation of additional conservation benefits that are consistent with the purposes of the program.”.
- (4) CERTIFICATION OF ELIGIBLE ENTITIES.—Section 1265B(b)(5) of the Food Security Act of 1985 (16 U.S.C. 3865b(b)(5)) is amended—
- (A) in subparagraph (A)—
- (i) in clause (ii), by striking “; and” and inserting a semicolon;
 - (ii) in clause (iii), by striking the period at the end and inserting “; and”; and
 - (iii) by adding at the end the following:
 - “(iv) allow a certified eligible entity to use its own terms and conditions, notwithstanding paragraph (4)(C), as long as the terms and conditions are consistent with the purposes of the program.”; and
- (B) by amending subparagraph (B) to read as follows:
- “(B) CERTIFICATION CRITERIA.—In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity—
- “(i) is a land trust that has—
 - “(I) been accredited by the Land Trust Accreditation Commission, or by an equivalent accrediting body (as determined by the Secretary); and
 - “(II) acquired not fewer than five agricultural land easements under the program; or
 - “(ii) will maintain, at a minimum, for the duration of the agreement—
 - “(I) a plan for administering easements that is consistent with the purpose of the program;
 - “(II) the capacity and resources to monitor and enforce agricultural land easements; and
 - “(III) policies and procedures to ensure—
 - “(aa) the long-term integrity of agricultural land easements on land subject to such easements;
 - “(bb) timely completion of acquisitions of such easements; and
 - “(cc) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.”.
- (c) TECHNICAL ASSISTANCE.—Section 1265B(d) of the Food Security Act of 1985 (16 U.S.C. 3865b(d)) is amended to read as follows:
- “(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance, if requested, to assist in compliance with the terms and conditions of easements.”.

SEC. 2604. WETLAND RESERVE EASEMENTS.

Section 1265C(b)(5)(D)(i)(III) of the Food Security Act of 1985 (16 U.S.C. 3865c(b)(5)(D)(i)(III)) is amended by inserting after “under subsection (f)” the following: “or a grazing management plan that is consistent with the wetland reserve easement plan and has been reviewed, and modified as necessary, at least every five years”.

SEC. 2605. ADMINISTRATION.

(a) **INELIGIBLE LAND.**—Section 1265D(a)(4) of the Food Security Act of 1985 (16 U.S.C. 3865d(a)(4)) is amended—

(1) by striking “or off-site”; and

(2) by striking “proposed or” and inserting “permitted or”.

(b) **SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.**—

(1) **SUBORDINATION AND EXCHANGE.**—Section 1265D(c)(1) of the Food Security Act of 1985 (16 U.S.C. 3865d(c)(1)) is amended—

(A) in the paragraph heading, by striking “IN GENERAL” and inserting “SUBORDINATION AND EXCHANGE”;

(B) by striking “subordinate, exchange, modify, or terminate” each place it appears and inserting “subordinate or exchange”; and

(C) by striking “subordination, exchange, modification, or termination” each place it appears and inserting “subordination or exchange”.

(2) **MODIFICATION; TERMINATION.**—Section 1265D(c) of the Food Security Act of 1985 (16 U.S.C. 3865d(c)) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(B) by inserting after paragraph (1) the following:

“(2) **MODIFICATION.**—

“(A) **AUTHORITY.**—The Secretary may modify any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the modification—

“(i) has a neutral effect on, or increases, the conservation values;

“(ii) is consistent with the original intent of the easement; and

“(iii) is consistent with the purposes of the program.

“(B) **LIMITATION.**—In modifying an interest in land, or portion of such interest, under this paragraph, the Secretary may not increase any payment to an eligible entity.

“(3) **TERMINATION.**—The Secretary may terminate any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if—

“(A) the current owner of the land that is subject to the easement and the holder of the easement agree to the termination; and

“(B) the Secretary determines that the termination would be in the public interest.”; and

(C) in paragraph (5) (as so redesignated), by striking “paragraph (1)” and inserting “paragraph (3)”.

(c) **LANDOWNER ELIGIBILITY.**—Section 1265D of the Food Security Act of 1985 (16 U.S.C. 3865d) is amended by adding at the end the following:

“(f) **LANDOWNER ELIGIBILITY.**—The limitation described in paragraph (1) of section 1001D(b) shall not apply to a landowner from which an easement under the program is to be purchased with respect to any benefit described in paragraph (2)(B) of such section related to the purchase of such easement.”.

Subtitle G—Regional Conservation Partnership Program

SEC. 2701. DEFINITIONS.

(a) **COVERED PROGRAM.**—Section 1271A(1) of the Food Security Act of 1985 (16 U.S.C. 3871a(1)) is amended—

(1) by striking subparagraph (C) and redesignating subparagraph (D) as subparagraph (C); and

(2) by adding at the end the following:

“(D) The conservation reserve program established under subchapter B of chapter 1 of subtitle D.

“(E) Programs provided for in the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section 14 of such Act (16 U.S.C. 1012).”.

(b) ELIGIBLE ACTIVITY.—Section 1271A(2) of the Food Security Act of 1985 (16 U.S.C. 3871a(2)) is amended—

(1) in subparagraph (B), by inserting “resource-conserving crop rotations,” before “or dryland farming”; and

(2) by redesignating subparagraphs (C) through (J) as subparagraphs (D) through (K), respectively, and inserting after subparagraph (B) the following:

“(C) Protection of source waters for drinking water.”.

SEC. 2702. REGIONAL CONSERVATION PARTNERSHIPS.

(a) LENGTH.—Section 1271B(b) of the Food Security Act of 1985 (16 U.S.C. 3871b(b)) is amended to read as follows:

“(b) LENGTH.—A partnership agreement, including a renewal of a partnership agreement under subsection (d)(5), shall be—

“(1) for a period not to exceed 5 years, which period the Secretary may extend one time for up to 12 months; or

“(2) for a period that is longer than 5 years, if such longer period is necessary to meet the objectives of the program, as determined by the Secretary.”.

(b) DUTIES OF PARTNERS.—Section 1271B(c)(1)(E) of the Food Security Act of 1985 (16 U.S.C. 3871b(c)(1)(E)) is amended by inserting “, including quantification of the project’s environmental outcomes” before the semicolon.

(c) APPLICATIONS.—Section 1271B(d) of the Food Security Act of 1985 (16 U.S.C. 3871b(d)) is amended—

(1) in paragraph (1), by inserting “simplified” before “competitive process to select”; and

(2) by adding at the end the following:

“(5) RENEWALS.—If a project that is the subject of a partnership agreement has met or exceeded the objectives of the project, as determined by the Secretary, the eligible partners may submit, through an expedited program application process, an application to—

“(A) continue to implement the project under a renewal of the partnership agreement; or

“(B) expand the scope of the project under a renewal of the partnership agreement.”.

SEC. 2703. ASSISTANCE TO PRODUCERS.

Section 1271C(c) of the Food Security Act of 1985 (16 U.S.C. 3871c(c)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A), by striking “a period of 5 years” and inserting “the applicable period under section 1271B(b)”; and

(2) in paragraph (3), by striking “the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers” and inserting “notwithstanding the requirements of paragraph (3) of section 1001D(b), the Secretary may waive the applicability of the limitation in paragraph (2) of such section, and any limitation on the maximum amount of payments related to the covered programs, for participating producers”.

SEC. 2704. FUNDING.

Section 1271D(a) of the Food Security Act of 1985 (16 U.S.C. 3871d(a)) is amended to read as follows:

“(a) AVAILABILITY OF FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use, to carry out the program—

“(1) \$100,000,000 for each of fiscal years 2014 through 2018; and

“(2) \$250,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 2705. ADMINISTRATION.

Section 1271E of the Food Security Act of 1985 (16 U.S.C. 3871e) is amended—

(1) by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following:

“(b) GUIDANCE.—The Secretary shall provide eligible partners and producers participating in the partnership agreements with guidance on how to quantify and report on environmental outcomes associated with the adoption of conservation practices under the program.”; and

(2) in subsection (c), as so redesignated—

(A) in paragraph (3), by striking “; and” and inserting a semicolon;

(B) in paragraph (4)(C), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(5) the progress that eligible partners and producers participating in the partnership agreements are making in quantifying and reporting on environmental outcomes associated with the adoption of conservation practices under the program.”.

SEC. 2706. CRITICAL CONSERVATION AREAS.

Section 1271F(c) of the Food Security Act of 1985 (16 U.S.C. 3871f(c)) is amended by striking paragraph (3).

Subtitle H—Repeals and Transitional Provisions; Technical Amendments

SEC. 2801. REPEAL OF CONSERVATION SECURITY AND CONSERVATION STEWARDSHIP PROGRAMS.

(a) REPEAL.—Except as provided in subsection (b), chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS FOR CONSERVATION STEWARDSHIP PROGRAM.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) before the date of enactment of this Act, or any payments required to be made in connection with the contract.

(2) NO RENEWALS.—Notwithstanding paragraph (1), the Secretary may not renew a contract described in such paragraph.

SEC. 2802. REPEAL OF TERMINAL LAKES ASSISTANCE.

Section 2507 of the Farm Security and Rural Investment Act of 2002 (16 U.S.C. 3839bb-6) is repealed.

SEC. 2803. TECHNICAL AMENDMENTS.

(a) DELINEATION OF WETLANDS; EXEMPTIONS.—Section 1222(j) of the Food Security Act of 1985 (16 U.S.C. 3822(j)) is amended by striking “National Resources Conservation Service” and inserting “Natural Resources Conservation Service”.

(b) DELIVERY OF TECHNICAL ASSISTANCE.—Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended by striking “third party” each place it appears and inserting “third-party”.

(c) ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.—Section 1244(b)(4)(B) of the Food Security Act of 1985 (16 U.S.C. 3844(b)(4)(B)) is amended by striking “General Accounting Office” and inserting “General Accountability Office”.

(d) WATERSHED PROTECTION AND FLOOD PREVENTION ACT.—Section 5(4) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(4)) is amended—

- (1) by striking “goodwater” and inserting “floodwater”; and
- (2) by striking “Secretary of Health, Education, and Welfare” each place it appears and inserting “Secretary of Health and Human Services”.

TITLE III—TRADE

Subtitle A—Food for Peace Act

SEC. 3001. FINDINGS.

(a) FINDINGS.—Congress finds the following:

(1) The United States has long been the world’s largest donor of international food assistance.

(2) American farmers have been instrumental in the success of United States international food assistance programs by providing an affordable, safe, and reliable source of nutritious agricultural commodities.

(3) Through the efforts of the United States maritime industry and private voluntary organizations, agricultural commodities grown in the United States have been delivered to millions of people in need around the globe.

(4) The United States should continue to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the timely provision of agricultural commodities.

SEC. 3002. LABELING REQUIREMENTS.

Subsection (g) of section 202 of the Food for Peace Act (7 U.S.C. 1722) is amended to read as follows:

“(g) LABELING OF ASSISTANCE.—Agricultural commodities and other assistance provided under this title shall, to the extent practicable, be clearly identified with

appropriate markings on the package or container of such commodities and food procured outside of the United States, or on printed material that accompanies other assistance, in the language of the locality in which such commodities and other assistance are distributed, as being furnished by the people of the United States of America.”.

SEC. 3003. FOOD AID QUALITY ASSURANCE.

Section 202(h)(3) of the Food for Peace Act (7 U.S.C. 1722(h)(3)) is amended by striking “2018” and inserting “2023”.

SEC. 3004. LOCAL SALE AND BARTER OF COMMODITIES.

Section 203 of the Food for Peace Act (7 U.S.C. 1723) is amended—

- (1) in subsection (a), by inserting “to generate proceeds to be used as provided in this section” before the period at the end;
- (2) by striking subsection (b); and
- (3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 3005. MINIMUM LEVELS OF ASSISTANCE.

Section 204(a) of the Food for Peace Act (7 U.S.C. 1724(a)) is amended in paragraphs (1) and (2) by striking “2018” both places it appears and inserting “2023”.

SEC. 3006. EXTENSION OF TERMINATION DATE OF FOOD AID CONSULTATIVE GROUP.

Section 205(f) of the Food for Peace Act (7 U.S.C. 1725(f)) is amended by striking “2018” and inserting “2023”.

SEC. 3007. ISSUANCE OF REGULATIONS.

Section 207(c)(1) of the Food for Peace Act (7 U.S.C. 1726a(c)(1)) is amended by striking “the Agricultural Act of 2014” and inserting “the Agriculture and Nutrition Act of 2018”.

SEC. 3008. FUNDING FOR PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.

Section 207(f)(4) of the Food for Peace Act (7 U.S.C. 1726a(f)(4)) is amended—

- (1) in subparagraph (A)—
 - (A) by striking “\$17,000,000” and inserting “1.5 percent”; and
 - (B) by striking “2014 through 2018” the first place it appears and inserting “2019 through 2023”; and
 - (C) by striking “2018” the second place it appears and inserting “2023”; and
- (2) in subparagraph (B)—
 - (A) in clause (i), by striking “2018” and inserting “2023”; and
 - (B) in clause (ii), by striking “chapter 1 of part I of”.

SEC. 3009. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208 the Food for Peace Act (7 U.S.C. 1726b) is amended—

- (1) by amending the section heading to read as follows: “**INTERNATIONAL FOOD RELIEF PARTNERSHIP**”; and
- (2) in subsection (f), by striking “2018” and inserting “2023”.

SEC. 3010. CONSIDERATION OF IMPACT OF PROVISION OF AGRICULTURAL COMMODITIES AND OTHER ASSISTANCE ON LOCAL FARMERS AND ECONOMY.

(a) **INCLUSION OF ALL MODALITIES.**—Section 403(a) of the Food for Peace Act (7 U.S.C. 1733(a)) is amended—

- (1) in the matter preceding paragraph (1), by inserting “, food procured outside of the United States, food voucher, or cash transfer for food,” after “agricultural commodity”;
- (2) in paragraph (1), by inserting “in the case of the provision of an agricultural commodity,” before “adequate”; and
- (3) in paragraph (2), by striking “commodity” and inserting “agricultural commodity or use of the food procured outside of the United States, food vouchers, or cash transfers for food”.

(b) **AVOIDANCE OF DISRUPTIVE IMPACT.**—Section 403(b) of the Food for Peace Act (7 U.S.C. 1733(b)) is amended—

- (1) in the first sentence, by inserting “, food procured outside of the United States, food vouchers, and cash transfers for food” after “agricultural commodities”; and
- (2) in the second sentence, by striking “of sales of agricultural commodities”.

SEC. 3011. PREPOSITIONING OF AGRICULTURAL COMMODITIES.

Section 407(c)(4)(A) of the Food for Peace Act (7 U.S.C. 1736a(c)(4)(A)) is amended by striking “2018” each place it appears and inserting “2023”.

SEC. 3012. ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.

(a) **IN GENERAL.**—Section 407(f) of the Food for Peace Act (7 U.S.C. 1736a(f)(1)) is amended to read as follows:

“(f) **ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.**—

“(1) **IN GENERAL.**—Not later than April 1 of each fiscal year, the Administrator and the Secretary shall prepare, either jointly or separately, a report regarding each program and activity carried out under this Act during the prior fiscal year. If the report for a fiscal year will not be submitted to the appropriate committees of Congress by the date specified in this subparagraph, the Administrator and the Secretary shall promptly notify such committees about the delay, including the reasons for the delay, the steps being taken to complete the report, and an estimated submission date.

“(2) **CONTENTS.**—An annual report described in paragraph (1) shall include, with respect to the prior fiscal year, the following:

“(A) A list that contains a description of each country and organization that receives food and other assistance under this Act (including the quantity of food and assistance provided to each country and organization).

“(B) A general description of each project and activity implemented under this Act (including each activity funded through the use of local currencies) and the total number of beneficiaries of the project.

“(C) A statement describing the quantity of agricultural commodities made available to, and the total number of beneficiaries in, each country pursuant to—

“(i) this Act;

“(ii) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b));

“(iii) the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

“(iv) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1).

“(D) An assessment of the progress made through programs under this Act towards reducing food insecurity in the populations receiving food assistance from the United States.

“(E) A description of efforts undertaken by the Food Aid Consultative Group under section 205 to achieve an integrated and effective food assistance program.

“(F) An assessment of—

“(i) each program oversight, monitoring, and evaluation system implemented under section 207(f); and

“(ii) the impact of each program oversight, monitoring, and evaluation system on the effectiveness and efficiency of assistance provided under this title.

“(G) An assessment of the progress made by the Administrator in addressing issues relating to quality with respect to the provision of food assistance.

“(H) A statement of the amount of funds (including funds for administrative costs, indirect cost recovery, internal transportation, storage and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act, that further describes the following:

“(i) How such funds were used by the eligible organization.

“(ii) The actual rate of return for each commodity made available under this Act, including factors that influenced the rate of return, and, for the commodity, the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Administrator and the Secretary determine to be necessary.

“(iii) For each instance in which a commodity was made available under this Act at a rate of return less than 70 percent, the reasons for the rate of return realized.

“(I) For funds expended for the purposes of section 202(e), 406(b)(6), and 407(c)(1)(B), a detailed accounting of the expenditures and purposes of such expenditures with respect to each section.

“(3) **RATE OF RETURN DESCRIBED.**—For purposes of applying subparagraph (H), the rate of return for a commodity shall be equal to the proportion that—

“(A) the proceeds the implementing partners generate through monetization; bears to

“(B) the cost to the Federal Government to procure and ship the commodity to a recipient country for monetization.”.

(b) CONFORMING REPEAL.—Subsection (m) of section 403 of the Food for Peace Act (7 U.S.C. 1733) is repealed.

SEC. 3013. DEADLINE FOR AGREEMENTS TO FINANCE SALES OR TO PROVIDE OTHER ASSISTANCE.

Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking “2018” and inserting “2023”.

SEC. 3014. MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.

Subsection (e) of section 412 of the Food for Peace Act (7 U.S.C. 1736f) is amended to read as follows:

“(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—

“(1) IN GENERAL.—For each of fiscal years 2019 through 2023, not less than \$365,000,000 of the amounts made available to carry out emergency and non-emergency food assistance programs under title II, nor more than 30 percent of such amounts, shall be expended for nonemergency food assistance programs under such title.

“(2) COMMUNITY DEVELOPMENT FUNDS.—Funds appropriated each year to carry out part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) that are made available through grants or cooperative agreements to strengthen food security in developing countries and that are consistent with section 202(e)(1)(C) may be deemed to be expended on nonemergency food assistance programs for purposes of this section.”.

SEC. 3015. TERMINATION DATE FOR MICRONUTRIENT FORTIFICATION PROGRAMS.

Section 415(c) of the Food for Peace Act (7 U.S.C. 1736g–2(c)) is amended by striking “2018” and inserting “2023”.

SEC. 3016. JOHN OGWONSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.

(a) CLARIFICATION OF NATURE OF ASSISTANCE.—Section 501(b)(1) of the Food for Peace Act (7 U.S.C. 1737(b)(1)) is amended by inserting “technical” before “assistance”.

(b) ELIGIBLE PARTICIPANTS.—Section 501(b)(2) of the Food for Peace Act (7 U.S.C. 1737(b)(2)) is amended by inserting “retired extension staff of the Department of Agriculture,” after “private corporations,”.

(c) ADDITIONAL PURPOSE.—Section 501(b) of the Food for Peace Act (7 U.S.C. 1737(b)) is amended—

(1) by striking “and” at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

“(6) foster appropriate investments in institutional capacity-building and allow longer-term and sequenced assignments and partnerships to provide deeper engagement and greater continuity on such projects; and”.

(d) MINIMUM FUNDING.—Subsection (d) of section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended to read as follows:

“(d) MINIMUM FUNDING.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than the greater of \$15,000,000 or 0.6 percent of the amounts made available for each of fiscal years 2014 through 2023, to carry out this Act shall be used to carry out programs under this section, of which—

“(A) not less than 0.2 percent to be used for programs in developing countries; and

“(B) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.

“(2) TREATMENT OF EXPENDITURES.—Funds used to carry out programs under this section shall be counted towards the minimum level of nonemergency food assistance specified in section 412(e).”.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 501(e)(1) of the Food for Peace Act (7 U.S.C. 1737(e)(1)) is amended in by striking “2018” and inserting “2023”.

Subtitle B—Agricultural Trade Act of 1978

SEC. 3101. FINDINGS.

Congress finds the following:

(1) United States export development programs significantly increase demand for United States agriculture products within foreign markets, boosting agricultural export volume and overall farm income, and generating a net return of \$28 in added export revenue for each invested program dollar.

(2) Our global competitors provide substantially more public support for export promotion than is provided to United States agricultural exporters. The Market Access Program and Foreign Market Development Program receive combined annual funding of approximately \$234,500,000. In comparison, the European Union allocates \$255,000,000 annually for the international promotion of wine alone.

(3) The preservation and streamlining of United States export market development programs complements the recent reorganization within the Department of Agriculture by ensuring the newly established Under Secretary for Trade and Foreign Agricultural Affairs has the tools necessary to enhance the competitiveness of the United States agricultural industry on the global stage.

SEC. 3102. CONSOLIDATION OF CURRENT PROGRAMS AS NEW INTERNATIONAL MARKET DEVELOPMENT PROGRAM.

(a) INTERNATIONAL MARKET DEVELOPMENT PROGRAM.—Section 205 of the Agricultural Trade Act of 1978 (7 U.S.C. 5625) is amended to read as follows:

“SEC. 205. INTERNATIONAL MARKET DEVELOPMENT PROGRAM.

“(a) PROGRAM REQUIRED.—The Secretary and the Commodity Credit Corporation shall establish and carry out a program, to be known as the ‘International Market Development Program’, to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities.

“(b) MARKET ACCESS PROGRAM COMPONENT.—

“(1) IN GENERAL.—As one of the components of the International Market Development Program, the Commodity Credit Corporation shall carry out a program to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

“(2) TYPES OF ASSISTANCE.—Assistance under this subsection may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

“(3) PARTICIPATION REQUIREMENTS.—

“(A) MARKETING PLAN AND OTHER REQUIREMENTS.—To be eligible for cost-share assistance under this subsection, an eligible trade organization shall—

“(i) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such a marketing plan specified in this paragraph or otherwise established by the Secretary;

“(ii) meet any other requirements established by the Secretary; and

“(iii) enter into an agreement with the Secretary.

“(B) PURPOSE OF MARKETING PLAN.—A marketing plan submitted under this paragraph shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this subsection is being requested.

“(C) SPECIFIC ELEMENTS.—To be approved by the Secretary, a marketing plan submitted under this paragraph shall—

“(i) specifically describe the manner in which assistance received by the eligible trade organization, in conjunction with funds and services provided by the eligible trade organization, will be expended in implementing the marketing plan;

“(ii) establish specific market goals to be achieved under the marketing plan; and

“(iii) contain whatever additional requirements are determined by the Secretary to be necessary.

“(D) BRANDED PROMOTION.—A marketing plan approved by the Secretary may provide for the use of branded advertising to promote the sale of United States agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

“(E) AMENDMENTS.—An approved marketing plan may be amended by the eligible trade organization at any time, subject to the approval by the Secretary of the amendments.

“(4) LEVEL OF ASSISTANCE AND COST-SHARE REQUIREMENTS.—

“(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance to be provided to an eligible trade organization under this subsection and the level of cost sharing required of the organization.

“(B) LIMITATION ON BRANDED PROMOTION.—Assistance provided under this subsection for activities described in paragraph (3)(D) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of United

States agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974 (19 U.S.C. 2411). Criteria used by the Secretary for determining that the limitation shall not apply shall be consistent and documented.

“(5) OTHER TERMS AND CONDITIONS.—

“(A) MULTI-YEAR BASIS.—The Secretary may provide assistance under this subsection on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

“(B) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this subsection if the Secretary determines that—

“(i) the eligible trade organization is not adhering to the terms and conditions applicable to the provision of the assistance;

“(ii) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the plan;

“(iii) the eligible trade organization is not adequately contributing its own resources to the implementation of the plan; or

“(iv) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.

“(C) EVALUATIONS.—Beginning not later than 15 months after the initial provision of assistance under this subsection to an eligible trade organization, the Secretary shall monitor the expenditures by the eligible trade organization of such assistance, including the following:

“(i) An evaluation of the effectiveness of the marketing plan of the eligible trade organization in developing or maintaining markets for United States agricultural commodities.

“(ii) An evaluation of whether assistance provided under this subsection is necessary to maintain such markets.

“(iii) A thorough accounting of the expenditure by the eligible trade organization of the assistance provided under this subsection.

“(6) RESTRICTIONS ON USE OF FUNDS.—Assistance provided under this subsection to an eligible trade organization shall not be used—

“(A) to provide direct assistance to any foreign for-profit corporation for the corporation’s use in promoting foreign-produced products; or

“(B) to provide direct assistance to any for-profit corporation that is not recognized as a small business concern, excluding a cooperative, an association described in the first section of the Act entitled ‘An Act To authorize association of producers of agricultural products’, approved February 18, 1922 (7 U.S.C. 291), or a nonprofit trade association.

“(7) PERMISSIVE USE OF FUNDS.—Assistance provided under this subsection to a United States agricultural trade association, cooperative, or small business may be used for individual branded promotional activity related to a United States branded product, if the beneficiaries of the activity have provided funds for the activity in an amount that is at least equivalent to the amount of assistance provided under this subsection.

“(8) PROGRAM CONSIDERATIONS AND PRIORITIES.—In providing assistance under this subsection, the Secretary, to the maximum extent practicable, shall—

“(A) give equal consideration to—

“(i) proposals submitted by organizations that were participating organizations in prior fiscal years; and

“(ii) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title;

“(B) give equal consideration to—

“(i) proposals submitted for activities in emerging markets; and

“(ii) proposals submitted for activities in markets other than emerging markets.

“(9) PRIORITY.—In providing assistance for branded promotion, the Secretary should give priority to small-sized entities.

“(10) CONTRIBUTION LEVEL.—

“(A) IN GENERAL.—The Secretary should require a minimum contribution level of 10 percent from an eligible trade organization that receives assistance for nonbranded promotion.

“(B) INCREASES IN CONTRIBUTION LEVEL.—The Secretary may increase the contribution level in any subsequent year that an eligible trade organization receives assistance for nonbranded promotion.

“(11) ADDITIONALITY.—The Secretary should require each participant in the program to certify that any Federal funds received supplement, but do not supplant, private or third party participant funds or other contributions to program activities.

“(12) INDEPENDENT AUDITS.—If as a result of an evaluation or audit of activities of a participant under the program, the Secretary determines that a further review is justified in order to ensure compliance with the requirements of the program, the Secretary should require the participant to contract for an independent audit of the program activities, including activities of any subcontractor.

“(13) TOBACCO.—No funds made available under the market promotion program may be used for activities to develop, maintain, or expand foreign markets for tobacco.

“(c) FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.—

“(1) IN GENERAL.—As one of the components of the International Market Development Program, the Secretary shall carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities.

“(2) COOPERATION.—The Secretary shall carry out the foreign market development cooperator program in cooperation with eligible trade organizations.

“(3) ADMINISTRATION.—Funds made available to carry out the foreign market development cooperator program shall be used only to provide—

“(A) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

“(B) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

“(4) PROGRAM CONSIDERATIONS.—In providing assistance under this subsection, the Secretary, to the maximum extent practicable, shall—

“(A) give equal consideration to—

“(i) proposals submitted by eligible trade organizations that were participating organizations in the foreign market development cooperator program in prior fiscal years; and

“(ii) proposals submitted by eligible trade organizations that have not previously participated in the foreign market development cooperator program; and

“(B) give equal consideration to—

“(i) proposals submitted for activities in emerging markets; and

“(ii) proposals submitted for activities in markets other than emerging markets.

“(d) TECHNICAL ASSISTANCE FOR SPECIALTY CROPS COMPONENT.—

“(1) IN GENERAL.—As one of the components of the International Market Development Program, the Secretary shall carry out an export assistance program to address existing or potential barriers that prohibit or threaten the export of United States specialty crops.

“(2) PURPOSE.—The export assistance program required by this subsection shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate existing or potential sanitary and phytosanitary and technical barriers to trade.

“(3) PRIORITY.—The export assistance program required by this subsection shall address time sensitive and strategic market access projects based on—

“(A) trade effect on market retention, market access, and market expansion; and

“(B) trade impact.

“(4) ANNUAL REPORT.—The Secretary shall submit to the appropriate committees of Congress an annual report that contains, for the period covered by the report, a description of each factor that affects the export of specialty crops, including each factor relating to any significant sanitary or phytosanitary issue or trade barrier.

“(e) E. (KIKI) DE LA GARZA EMERGING MARKETS PROGRAM COMPONENT.—

“(1) IN GENERAL.—

“(A) ESTABLISHMENT OF PROGRAM.—The Secretary, in order to develop, maintain, or expand export markets for United States agricultural commodities, is directed—

“(i) to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such emerging markets;

“(ii) to make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers; and

“(iii) to identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

“(B) EXTENT OF PROGRAM.—The Secretary shall implement this paragraph with respect to at least 3 emerging markets in each fiscal year.

“(2) IMPLEMENTATION OF PROGRAM.—The Secretary may implement the requirements of paragraph (1)—

“(A) by providing assistance to teams consisting primarily of agricultural consultants, farmers, other persons from the private sector and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in such paragraph in emerging markets; and

“(B) by providing for necessary subsistence and transportation expenses of—

“(i) United States food and rural business system experts, including United States agricultural producers and other United States individuals knowledgeable in agricultural and agribusiness matters, to enable such United States food and rural business system experts to assist in transferring knowledge and expertise to entities in emerging markets; and

“(ii) individuals designated by emerging markets to enable such designated individuals to consult with such United States experts to enhance food and rural business systems of such emerging markets and to transfer knowledge and expertise to such emerging markets.

“(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2) to share the costs of, and otherwise assist in, the participation of such experts in the program under this paragraph.

“(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide, or pay the necessary costs for, technical assistance (including the establishment of extension services) necessary to enhance the effectiveness of food and rural business systems needs of emerging markets, including potential reductions in trade barriers.

“(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2) shall prepare such reports with respect to the use of such assistance as the Secretary may require.

“(f) DEFINITIONS.—In this section:

“(1) ELIGIBLE TRADE ORGANIZATION.—

“(A) MARKET ACCESS PROGRAM COMPONENT.—In subsection (b), the term ‘eligible trade organization’ means—

“(i) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of United States agricultural commodities and that does not stand to profit directly from specific sales of United States agricultural commodities;

“(ii) a cooperative organization or State agency that promotes the sale of United States agricultural commodities; or

“(iii) a private organization that promotes the export and sale of United States agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

“(B) FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.—In subsection (c), the term ‘eligible trade organization’ means a United States trade organization that—

“(i) promotes the export of one or more United States agricultural commodities; and

“(ii) does not have a business interest in or receive remuneration from specific sales of United States agricultural commodities.

“(2) EMERGING MARKET.—The term ‘emerging market’ means any country that the Secretary determines—

“(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

“(B) has the potential to provide a viable and significant market for United States agricultural commodities.

“(3) SMALL-BUSINESS CONCERN.—The term ‘small-business concern’ has the meaning given that term in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

“(4) UNITED STATES AGRICULTURAL COMMODITY.—The term ‘United States agricultural commodity’ has the meaning given the term in section 102 of the Agriculture Trade Act of 1978 (7 U.S.C. 5602) and includes commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)).”

(b) FUNDING PROVISION.—Subsection (c) of section 211 of the Agricultural Trade Act of 1978 (7 U.S.C. 5641) is amended to read as follows:

“(c) INTERNATIONAL MARKET DEVELOPMENT PROGRAM.—

“(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available for the International Market Development Program under section 205 \$255,000,000 for each of the fiscal years 2019 through 2023. Such amounts shall remain available until expended.

“(2) SET-ASIDES.—

“(A) MARKET ACCESS PROGRAM COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not less than \$200,000,000 shall be used for the market access program component of the International Market Development Program under subsection (b) of section 205.

“(B) FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not less than \$34,500,000 shall be used for the foreign market development operator component of the International Market Development Program under subsection (c) of section 205.

“(C) TECHNICAL ASSISTANCE FOR SPECIALTY CROPS COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not more than \$9,000,000, shall be used for the specialty crops component of the International Market Development Program under subsection (d) of section 205.

“(D) AGRICULTURAL EXPORTS TO EMERGING MARKETS COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not more than \$10,000,000 shall be used to promote agricultural exports to emerging markets under the International Market Development Program under subsection (e) of section 205.”

(c) REPEAL OF SUPERSEDED PROGRAMS.—

(1) MARKET ACCESS PROGRAM.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is repealed.

(2) PROMOTIONAL ASSISTANCE.—Section 1302 of the Omnibus Budget Reconciliation Act of 1993 is repealed.

(3) FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.—Title VII of the Agricultural Trade Act of 1978 (7 U.S.C. 5721–5723) is repealed.

(4) EXPORT ASSISTANCE PROGRAM FOR SPECIALTY CROPS.—Section 3205 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680) is repealed.

(5) EMERGING MARKETS PROGRAM.—Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking subsection (d) and by redesignating subsection (e) and (f) as subsections (d) and (e), respectively.

(d) CONFORMING AMENDMENTS.—

(1) AGRICULTURAL TRADE ACT OF 1978.—The Agricultural Trade Act of 1978 is amended—

(A) in section 202 (7 U.S.C. 5622), by adding at the end the following new subsection:

“(k) COMBINATION OF PROGRAMS.—The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under this section are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of United States agricultural commodities.”; and

(B) in section 402(a)(1) (7 U.S.C. 5662(a)(1)), by striking “203” and inserting “205(b)”.

(2) AGRICULTURAL MARKETING ACT OF 1946.—Section 282(f)(2)(C) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638a(f)(2)(C)) is amended by striking “section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)” and inserting “section 205 of the Agricultural Trade Act of 1978”.

(3) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—Section 1543(b)(5) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293(b)(5)) is amended by striking “1542(f)” and inserting “1542(e)”.

Subtitle C—Other Agricultural Trade Laws

SEC. 3201. LOCAL AND REGIONAL FOOD AID PROCUREMENT PROJECTS.

Section 3206(e)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1726c(e)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 3202. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

Section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking “2018” and inserting “2023”.

SEC. 3203. BILL EMERSON HUMANITARIAN TRUST ACT.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended—

(1) in subsection (b)(2)(B)(i), by striking “2018” each place it appears and inserting “2023”; and

(2) in subsection (h), by striking “2018” each place it appears and inserting “2023”.

SEC. 3204. FOOD FOR PROGRESS ACT OF 1985.

(a) EXTENSION.—Section 1110 of the Food Security Act of 1985 (also known as the Food for Progress Act of 1985; 7 U.S.C. 1736o) is amended—

(1) in subsection (f)(3), by striking “2018” and inserting “2023”;

(2) in subsection (g), by striking “2018” and inserting “2023”;

(3) in subsection (k), by striking “2018” and inserting “2023”; and

(4) in subsection (l)(1), by striking “2018” and inserting “2023”.

(b) ELIGIBLE ENTITIES.—Section 1110(b)(5) of the Food Security Act of 1985 (also known as the Food for Progress Act of 1985; 7 U.S.C. 1736o(b)(5)) is amended—

(1) by striking “and” at the end of subparagraph (E);

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following new subparagraph:

“(F) a college or university (as such terms are defined in section 1404(4) of the Food and Agriculture Act of 1977 (7 U.S.C. 3103(4)); and”.

(c) PRIVATE VOLUNTARY ORGANIZATIONS AND OTHER PRIVATE ENTITIES.—Section 1110(o) of the Food Security Act of 1985 is amended in paragraph (1) by striking “(F)” and inserting “(G)”.

SEC. 3205. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) CONSIDERATION OF PROPOSALS.—Section 3107(f)(1)(B) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(f)(1)(B)) is amended by inserting before the semicolon the following: “and, to the extent practicable, that assistance will be provided on a timely basis so as to coincide with the beginning of and when needed during the relevant school year”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 3107(l)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 3206. COCHRAN FELLOWSHIP PROGRAM.

(a) AUTHORIZED LOCATIONS FOR TRAINING.—Section 1543(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293(a)) is amended by striking “for study in the United States.” and inserting the following: “for study—

“(1) in the United States; or

“(2) at a college or university located in an eligible country that the Secretary determines—

“(A) has sufficient scientific and technical facilities;

“(B) has established a partnership with at least one college or university in the United States; and

“(C) has substantial participation by faculty members of the United States college or university in the design of the fellowship curriculum and classroom instruction under the fellowship.”.

(b) FELLOWSHIP PURPOSES.—Section 1543(c)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3293(c)(2)) is amended by inserting before the period at the end the following: “, including trade linkages involving regulatory systems governing sanitary and phyto-sanitary standards for agricultural products”.

SEC. 3207. BORLAUG FELLOWSHIP PROGRAM.

Section 1473G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319j) is amended to read as follows:

“SEC. 1473G. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

“(a) FELLOWSHIP PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary shall establish a fellowship program, to be known as the ‘Borlaug International Agricultural Science and Technology Fellowship Program’.

“(2) FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.—As part of the fellowship program, the Secretary shall provide fellowships to individuals from eligible countries as described in subsection (b) who specialize in agricultural education, research, and extension for scientific training and study designed to assist individual fellowship recipients, including the following 3 programs:

“(A) A graduate studies program in agriculture to assist individuals who participate in graduate agricultural degree training at a United States institution.

“(B) An individual career improvement program to assist agricultural scientists from developing countries in upgrading skills and understanding in agricultural science and technology.

“(C) A Borlaug agricultural policy executive leadership course to assist senior agricultural policy makers from eligible countries, with an initial focus on individuals from sub-Saharan Africa and the independent states of the former Soviet Union.

“(3) FELLOWSHIPS TO UNITED STATES CITIZENS.—As part of the fellowship program, the Secretary shall provide fellowships to citizens of the United States to assist eligible countries in developing school-based agricultural education and youth extension programs.

“(b) ELIGIBLE COUNTRY DESCRIBED.—For purposes of this section, an eligible country is a developing country, as determined by the Secretary using a gross national income per capita test selected by the Secretary.

“(c) PURPOSE OF FELLOWSHIPS.—

“(1) FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.—A fellowship provided under subsection (a)(2) shall—

“(A) promote food security and economic growth in eligible countries by—

“(i) educating a new generation of agricultural scientists;

“(ii) increasing scientific knowledge and collaborative research to improve agricultural productivity; and

“(iii) extending that knowledge to users and intermediaries in the marketplace; and

“(B) support—

“(i) training and collaborative research opportunities through exchanges for entry level international agricultural research scientists, faculty, and policymakers from eligible countries;

“(ii) collaborative research to improve agricultural productivity;

“(iii) the transfer of new science and agricultural technologies to strengthen agricultural practice; and

“(iv) the reduction of barriers to technology adoption.

“(2) FELLOWSHIPS TO UNITED STATES CITIZENS.—A fellowship provided under subsection (a)(3) shall—

“(A) develop globally minded United States agriculturists with experience living abroad;

“(B) focus on meeting the food and fiber needs of the domestic population of eligible countries; and

“(C) strengthen and enhance trade linkages between eligible countries and the United States agricultural industry.

“(d) FELLOWSHIP RECIPIENTS.—

“(1) FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.—

“(A) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under subsection (a)(2) to individuals from eligible countries who specialize or have experience in agricultural education, research, extension, or related fields, including—

“(i) individuals from the public and private sectors; and

“(ii) private agricultural producers.

“(B) CANDIDATE IDENTIFICATION.—For fellowships under subsection (a)(2), the Secretary shall use the expertise of United States land-grant colleges and universities and similar universities, international organizations working in agricultural research and outreach, and national agricultural research organizations to help identify program candidates for fellowships from the public and private sectors of eligible countries.

“(C) LOCATION OF TRAINING.—The scientific training or study of fellowship recipients under subsection (a)(2) shall occur—

- “(i) in the United States; or
- “(ii) at a college or university located in an eligible country that the Secretary determines—
 - “(I) has sufficient scientific and technical facilities;
 - “(II) has established a partnership with at least one college or university in the United States; and
 - “(III) has substantial participation by faculty members of the United States college or university in the design of the fellowship curriculum and classroom instruction under the fellowship.
- “(2) FELLOWSHIPS TO UNITED STATES CITIZENS.—
 - “(A) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under subsection (a)(3) to citizens of the United States who—
 - “(i) hold at least a bachelors degree in an agricultural related field of study; and
 - “(ii) have an understanding of United States school-based agricultural education and youth extension programs, as determined by the Secretary.
 - “(B) CANDIDATE IDENTIFICATION.—For fellowships under subsection (a)(3), the Secretary shall consult with the National FFA Organization, the National 4–H Council, and other entities as the Secretary deems appropriate to identify candidates for fellowships.
- “(e) PROGRAM IMPLEMENTATION.—The Secretary shall provide for the management, coordination, evaluation, and monitoring of the Borlaug International Agricultural Science and Technology Fellowship Program and for the individual programs described in subsection (a), except that—
 - “(1) the Secretary may contract out to 1 or more collaborating universities the management of 1 or more of the fellowship programs under subsection (a)(2); and
 - “(2) the Secretary may contract out the management of the fellowship program under subsection (a)(3) to an outside organization with experience in implementing fellowship programs focused on building capacity for school-based agricultural education and youth extension programs in developing countries.
- “(f) AUTHORIZATION OF APPROPRIATIONS.—
 - “(1) IN GENERAL.—There are authorized to be appropriated \$6,000,000 to carry out this section.
 - “(2) SET-ASIDES.—Of any funds made available pursuant to paragraph (1), not less than \$2,800,000 shall be used to carry out the fellowship program for individuals from eligible countries under subsection (a)(2).
 - “(3) DURATION.—Any funds made available pursuant to paragraph (1) shall remain available until expended.”.

SEC. 3208. GLOBAL CROP DIVERSITY TRUST.

- (a) UNITED STATES CONTRIBUTION LIMIT.—Section 3202(b) of the Food, Conservation, and Energy Act of 2008 (22 U.S.C. 2220a note; Public Law 110–246(b)) is amended by striking “25 percent” and inserting “33 percent”.
- (b) AUTHORIZATION OF APPROPRIATIONS.—Section 3202(c) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note) is amended by striking “for the period of fiscal years 2014 through 2018” and inserting “for the period of fiscal years 2019 through 2023”.

SEC. 3209. GROWING AMERICAN FOOD EXPORTS ACT OF 2018.

Section 1543A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5679) is amended to read as follows:

“SEC. 1543A. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

- “(a) ESTABLISHMENT.—There is established in the Department of Agriculture a program to be known as the ‘Biotechnology and Agricultural Trade Program’.
- “(b) PURPOSE.—The purpose of the program established under this section shall be to remove, resolve, or mitigate significant regulatory nontariff barriers to the export of United States agricultural commodities into foreign markets through policy advocacy and targeted projects that address—
 - “(1) issues relating to United States agricultural commodities produced with the use of biotechnology or new agricultural production technologies;
 - “(2) advocacy for science-based regulation in foreign markets of biotechnology or new agricultural production technologies; or
 - “(3) quick-response intervention regarding non-tariff barriers to United States exports produced through biotechnology or new agricultural production technologies.
- “(c) ELIGIBLE PROGRAMS.—Depending on need, as determined by the Secretary, activities authorized under this section may be carried out through—

- “(1) this section;
- “(2) the emerging markets program under section 1542; or
- “(3) the Cochran Fellowship Program under section 1543.”.

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

SEC. 4001. DUPLICATIVE ENROLLMENT DATABASE.

(a) EXPANSION OF THE DUPLICATIVE ENROLLMENT DATABASE.—The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

“SEC. 30. DUPLICATIVE ENROLLMENT DATABASE.

“(a) IN GENERAL.—The Secretary shall establish an interstate database, or system of databases, of supplemental nutrition assistance program information to be known as the Duplicative Enrollment Database that shall include the data submitted by each State pursuant to section 11(e)(26) and that shall meet security standards as determined by the Secretary.

“(b) PURPOSE.—Any database, or system of databases, established pursuant to subsection (a) shall be used by States when making eligibility determinations to prevent supplemental nutrition assistance program participants from receiving duplicative benefits in multiple States.

“(c) IMPLEMENTATION.—

“(1) ISSUANCE OF INTERIM FINAL REGULATIONS.—Not later than 18 months after the effective date of this section, the Secretary shall issue interim final regulations to carry out this section that—

“(A) incorporate best practices and lessons learned from the regional pilot project referenced in section 4032(c) of the Agricultural Act of 2014 (7 U.S.C. 2036c(c));

“(B) protect the privacy of supplemental nutrition assistance program participants and applicants consistent with section 11(e)(8); and

“(C) detail the process States will be required to follow for—

“(i) conducting initial and ongoing matches of participant and applicant data;

“(ii) identifying and acting on all apparent instances of duplicative participation by participants or applicants in multiple States;

“(iii) disenrolling an individual who has applied to participate in another State in a manner sufficient to allow the State in which the individual is currently applying to comply with sections 11(e)(3) and (9); and

“(iv) complying with such other rules and standards the Secretary determines appropriate to carry out this section.

“(2) TIMING.—The initial match and corresponding actions required by paragraph (1)(C) shall occur within 3 years after the date of the enactment of the Agriculture and Nutrition Act of 2018.

“(d) REPORTS.—Using the data submitted to the Duplicative Enrollment Database, the Secretary shall publish an annual report analyzing supplemental nutrition assistance program participant characteristics, including participant tenure on the program. The report shall be made available to the public in a manner that prevents identification of participants that receive supplemental nutrition assistance program benefits.”.

(b) STATE DATA COLLECTION AND SUBMISSION REQUIREMENTS.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking “and” at the end,

(2) in paragraph (25) by striking the period at the end and inserting “; and”, and

(3) by adding at the end the following:

“(26) that the State agency shall collect and submit supplemental nutrition assistance program data to the Duplicative Enrollment Database established in section 30, in accordance with guidance or rules issued by the Secretary establishing a uniform method and format for the collection and submission of data, including for each member of a participating household—

“(A) the social security number or the social security number substitute;

“(B) the employment status of such member;

“(C) the amount of income and whether that income is earned or unearned;

“(D) that member’s portion of the household monthly allotment, and

“(E) the portion of the aggregate value of household assets attributed to that member.”

SEC. 4002. RETAILER-FUNDED INCENTIVES PILOT.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), as amended by section 4001, is amended by adding at the end the following:

“SEC. 31. RETAILER-FUNDED INCENTIVES PILOT.

“(a) **IN GENERAL.**—The Secretary shall establish a pilot project in accordance with subsection (d) through which participating retail food stores provide bonuses to participating households based on household purchases of fruits, vegetables, and fluid milk.

“(b) **DEFINITIONS.**—For purposes of this section—

“(1) The term ‘bonus’ means a financial incentive provided at the point of sale to a participating household that expends a portion of its allotment for the purchase of fruits, vegetables, or fluid milk.

“(2) The term ‘fluid milk’ means cow milk without flavoring or sweeteners and packaged in liquid form.

“(3) The term ‘fruits’ means minimally processed fruits.

“(4) The term ‘retail food store’ means a retail food store as defined in section 3(o)(1) that is authorized to accept and redeem benefits under the supplemental nutrition assistance program.

“(5) The term ‘vegetables’ means minimally processed vegetables.

“(c) **PROJECT PARTICIPANT PLANS.**—To participate in the pilot project established under subsection (a), a retail food store shall submit to the Secretary for approval a plan that includes—

“(1) a method of quantifying the cost of fruits, vegetables, and fluid milk, that will earn households a bonus;

“(2) a method of providing bonuses to participating households and adequately testing such method;

“(3) a method of ensuring bonuses earned by households may be used only to purchase food eligible for purchase under the supplemental nutrition assistance program;

“(4) a method of educating participating households about the availability and use of a bonus;

“(5) a method of providing data and reports, as requested by the Secretary, for purposes of analyzing the impact of the pilot project established under subsection (a) on household access, ease of bonus use, and program integrity; and

“(6) such other criteria, including security criteria, as established by the Secretary.

“(d) **PILOT PROJECT REQUIREMENTS.**—Retail food stores with plans approved under subsection (c) to participate in the pilot project established under subsection (a) shall—

“(1) provide a bonus in a dollar amount not to exceed 10 percent of the price of the purchased fruits, vegetables, and fluid milk;

“(2) fund the dollar amount of bonuses used by households, and pay for administrative costs, such as fees and system costs, associated with providing such bonuses;

“(3) ensure that bonuses earned by households may be used only to purchase food eligible for purchase under the supplemental nutrition assistance program; and

“(4) provide data and reports as requested by the Secretary for purposes of analyzing the impact of the pilot project established under subsection (a) on household access, ease of bonus use, and program integrity.

“(e) **LIMITATION.**—A retail food store participating in a project under section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517) shall not be eligible to participate in the pilot project established under subsection (a).

“(f) **IMPLEMENTATION.**—Not later than 18 months after the date of the enactment of Agriculture and Nutrition Act of 2018, the Secretary shall solicit and approve plans submitted under subsection (c) that satisfy the requirements of such subsection.

“(g) **REIMBURSEMENTS.**—

“(1) **RATE OF REIMBURSEMENT.**—Subject to paragraphs (2) and (3), the Secretary shall reimburse retail food stores with plans approved under subsection (f) in an amount not to exceed 25 percent of the dollar value of bonuses earned by households and used to purchase food eligible for purchase under the supplemental nutrition assistance program.

“(2) **AGGREGATE AMOUNT OF REIMBURSEMENTS.**—The aggregate amount of reimbursements paid in a fiscal year to all retail food stores that participate in the pilot project established under subsection (a) in such fiscal year shall not exceed \$120,000,000.

“(3) **REQUIREMENTS.**—

“(A) **TIMELINE.**—Not later than 1 year after the date of the enactment of the Agriculture and Nutrition Act of 2018, the Secretary shall establish requirements to implement this section, including criteria for prioritizing reimbursements to such stores within the limit established in paragraph (2) and subject to subparagraph (B).

“(B) **DISTRIBUTION OF REIMBURSEMENTS.**—

“(i) **MONTHLY PAYMENTS.**—Reimbursements payable under this subsection shall be paid on a monthly basis.

“(ii) **PRORATED PAYMENTS.**—If funds made available under subsection (h) are insufficient to pay in full reimbursements payable for a month because of the operation of paragraph (2), such reimbursements shall be paid on a pro rata basis to the extent funds remain available for payment.

“(h) **FUNDING.**—From funds made available under section 18(a)(1) for a fiscal year, the Secretary shall allocate not to exceed \$120,000,000 for reimbursements payable under this section for such fiscal year.”.

SEC. 4003. GUS SCHUMACHER FOOD INSECURITY NUTRITION INCENTIVE PROGRAM.

(a) **AMENDMENTS.**—Section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517) is amended—

(1) by striking the heading and inserting “**GUS SCHUMACHER FOOD INSECURITY NUTRITION INCENTIVE PROGRAM**”,

(2) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A)(ii)—

(I) in subclause (II) by inserting “financial” after “providing”,

(II) by amending subclause (III) to read as follows:

“(III) has adequate plans to collect data for reporting and agrees to participate in a program evaluation; and”.

(III) in subclause (IV) by striking “; and” at the end and inserting a period, and

(IV) by striking subclause (V), and

(ii) by amending subparagraph (B) to read as follows:

“(B) **PRIORITIES.**—In awarding grants under this section—

“(i) the Secretary shall give priority to projects that—

“(I) maximize the share of funds used for direct incentives to participants;

“(II) include coordination with multiple stakeholders, such as farm organizations, nutrition education programs, cooperative extension service programs, public health departments, health providers, private and public health insurance agencies, cooperative grocers, grocery associations, and community-based and non-governmental organizations;

“(III) have the capacity to generate sufficient data and analysis to demonstrate effectiveness of program incentives; and

“(ii) the Secretary may also give priority to projects that—

“(I) are located in underserved communities;

“(II) use direct-to-consumer sales marketing;

“(III) demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

“(IV) provide locally or regionally produced fruits and vegetables;

“(V) offer supplemental services in high-need communities, including online ordering, transportation between home and store, and delivery services;

“(VI) provide year-round access to program incentives; and

“(VII) address other criteria as established by the Secretary.”.

(B) by amending paragraph (4) to read as follows:

“(4) **TRAINING, EVALUATION, AND INFORMATION CENTER.**—

“(A) **IN GENERAL.**—The Secretary, in consultation with the Director of the National Institute of Food and Agriculture, shall establish a Food Insecurity Nutrition Incentive Program Training, Evaluation, and Information Center capable of providing services related to grants under subsection (b), including—

- “(i) offering incentive program training and technical assistance to applicants and grantees to the extent practicable;
 - “(ii) collecting, evaluating, and sharing information on best practices on common incentive activities;
 - “(iii) assisting with collaboration among grantee projects, State agencies, and nutrition education programs;
 - “(iv) facilitating communication between grantees and the Department of Agriculture; and
 - “(v) compiling program data from grantees and generating an annual report to Congress on grant outcomes.
- “(B) COOPERATIVE AGREEMENT.—To carry out subparagraph (A), the Secretary may enter into a cooperative agreement with an organization with expertise in the supplemental nutrition assistance program incentive programs, including—
- “(i) nongovernmental organizations;
 - “(ii) State cooperative extension services;
 - “(iii) regional food system centers;
 - “(iv) Federal and State agencies;
 - “(v) public, private, and land-grant colleges and universities; and
 - “(vi) other appropriate entities as determined by the Secretary.
- “(C) FUNDING LIMITATION.—Of the funds made available under subsection (c), the Secretary may use to carry out this paragraph not more than—
- “(i) \$2,000,000 for each of the fiscal years 2019 and 2020, and
 - “(ii) \$1,000,000 for each fiscal year thereafter.”, and
- (3) in subsection (c)—
- (A) in paragraph (1) by striking “2014 through 2018” and inserting “2019 through 2023”, and
 - (B) in paragraph (2)—
 - (i) in subparagraph (B) by striking “and” at the end;
 - (ii) in subparagraph (C) by striking the period at the end and inserting “,” and
 - (iii) by adding at the end the following:
 - “(D) \$45,000,000 for fiscal year 2019;
 - “(E) \$50,000,000 for fiscal year 2020;
 - “(F) \$55,000,000 for fiscal year 2021;
 - “(G) \$60,000,000 for fiscal year 2022; and
 - “(H) \$65,000,000 for fiscal year 2023 and each fiscal year thereafter.”.
- (b) CONFORMING AMENDMENT.—The table of contents of Food, Conservation, and Energy Act of 2008 is amended by striking the item relating to section 4405 by inserting the following:
- “Sec. 4405. Gus Schumacher food insecurity nutrition incentive program.”.
- SEC. 4004. RE-EVALUATION OF THRIFTY FOOD PLAN.**
- Section 3(u) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(u)) is amended by inserting after the 1st sentence the following: “By 2022 and at 5-year intervals thereafter, the Secretary shall re-evaluate and publish the market baskets of the thrifty food plan based on current food prices, food composition data, and consumption patterns.”.
- SEC. 4005. FOOD DISTRIBUTION PROGRAMS ON INDIAN RESERVATIONS.**
- Section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)) is amended—
- (1) in paragraph (6)—
 - (A) in the heading by striking “LOCALLY-GROWN” and inserting “LOCALLY- AND REGIONALLY-GROWN”,
 - (B) in subparagraph (A) by striking “locally-grown” and inserting “locally- and regionally-grown”,
 - (C) in subparagraph (C)—
 - (i) by striking “LOCALLY GROWN” and inserting “LOCALLY- AND REGIONALLY-GROWN”, and
 - (ii) by striking “locally-grown” and inserting “locally- and regionally-grown”,
 - (D) by amending subparagraph (D) to read as follows:

“(D) PURCHASE OF FOODS.—In carrying out this paragraph, the Secretary shall purchase or offer to purchase those traditional foods that may be procured cost-effectively.”;
 - (E) by striking subparagraph (E), and
 - (F) in subparagraph (F)—
 - (i) by striking “(F)” and inserting “(E)”, and
 - (ii) by striking “2018” and inserting “2023”, and
 - (2) by adding at the end the following:

“(7) FUNDS AVAILABILITY.—Funds made available for a fiscal year to carry out this subsection shall remain available for obligation for a period of 2 fiscal years.”.

SEC. 4006. UPDATE TO CATEGORICAL ELIGIBILITY.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

- (1) in the 2d sentence of subsection (a)—
 - (A) by striking “receives benefits” and inserting “(1) receives cash assistance or ongoing and substantial services”,
 - (B) by striking “supplemental security” and inserting “with an income eligibility limit of not more than 130 percent of the poverty line as defined in section 5(c)(1), (2) is elderly or disabled and receives cash assistance or ongoing and substantial services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) with an income eligibility limit of not more than 200 percent of the poverty line as defined in section 5(c)(1), (3) receives supplemental security”, and
 - (C) by striking “or aid” and inserting “or (4) receives aid”, and
- (2) in subsection (j)—
 - (A) by striking “or who receives benefits” and inserting “cash assistance or ongoing and substantial services” and
 - (B) by striking “to have” and inserting “with an income eligibility limit of not more than 130 percent of the poverty line as defined in section 5(c)(1), or who is elderly or disabled and receives cash assistance or ongoing and substantial services under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.) with an income eligibility limit of not more than 200 percent of the poverty line as defined in section 5(c)(1), to have”.

SEC. 4007. BASIC ALLOWANCE FOR HOUSING.

(a) EXCLUSION OF BASIC ALLOWANCE FOR HOUSING.—Section 5(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(d)) is amended—

- (1) in paragraph (18) by striking “and” at the end,
- (2) in paragraph (19)(B) by striking the period and inserting “; and”, and
- (3) by adding at the end the following:

“(20) the value of an allowance received under section 403 of title 37 of the United States Code that does not exceed \$500 monthly.”.

(b) UPDATE TO EXCESS SHELTER EXPENSE DEDUCTION.—Section 5(e)(6)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(A)) is amended by inserting before the period at the end the following:

“, except that for a household that receives the allowance under section 403 of title 37, United States Code, only the expenses in excess of that allowance shall be counted towards a household’s expenses for the calculation of the excess shelter deduction”.

SEC. 4008. EARNED INCOME DEDUCTION.

Section 5(e)(2)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(2)(B)) is amended by striking “20” and inserting “22”.

SEC. 4009. SIMPLIFIED HOMELESS HOUSING COSTS.

Section 5(e)(6)(D) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(D)) is amended—

- (1) by redesignating clause (ii) as clause (iii), and
- (2) by striking clause (i) and inserting the following:
 - “(i) ALTERNATIVE DEDUCTION.—The State agency shall allow a deduction of \$143 a month for households—
 - “(I) in which all members are homeless individuals;
 - “(II) that are not receiving free shelter throughout the month; and
 - “(III) that do not opt to claim an excess shelter expense deduction under subparagraph (A).
 - “(ii) ADJUSTMENT.—For fiscal year 2019 and each subsequent fiscal year the amount of the homeless shelter deduction specified in clause (i) shall be adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”.

SEC. 4010. AVAILABILITY OF STANDARD UTILITY ALLOWANCES BASED ON RECEIPT OF ENERGY ASSISTANCE.

(a) ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

(1) STANDARD UTILITY ALLOWANCE.—Section 5(e)(6)(C)(iv)(I) of the of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)(iv)(I)) is amended by inserting “with an elderly member” after “households”.

(2) CONFORMING AMENDMENTS.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act is amended by inserting “received by a household with an elderly member” before “, consistent with section 5(e)(6)(C)(iv)(I)”.

(b) THIRD-PARTY ENERGY ASSISTANCE PAYMENTS.—Section 5(k)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(k)(4)) is amended—

(1) in subparagraph (A) by inserting “without an elderly member” after “household” the 1st place it appears; and

(2) in subparagraph (B) by inserting “with an elderly member” after “household” the 1st place it appears.

SEC. 4011. CHILD SUPPORT; COOPERATION WITH CHILD SUPPORT AGENCIES.

(a) DEDUCTIONS FOR CHILD SUPPORT PAYMENTS.—

(1) AMENDMENTS.—Section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)) is amended—

(A) by striking paragraph (4), and

(B) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(2) CONFORMING AMENDMENT.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(A) in subsection (k)(4)(B) by striking “(e)(6)” and inserting “(e)(5)”, and

(B) in subsection (n) by striking “Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the” and inserting “The”.

(b) COOPERATION WITH CHILD SUPPORT AGENCIES.—

(1) AMENDMENTS.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended—

(A) in subsection (l)(1) by striking “At the option of a State agency, subject” and inserting “Subject”,

(B) in subsection (m)(1) by striking “At the option of a State agency, subject” and inserting “Subject”, and

(C) by striking subsection (n).

(2) CONFORMING AMENDMENT.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended by striking “and (r)” and inserting “and (p)”.

SEC. 4012. ADJUSTMENT TO ASSET LIMITATIONS.

Section 5(g)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(g)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking “\$2,000” and inserting “\$7,000”, and

(B) by striking “\$3,000” and inserting “\$12,000”, and—

(2) in subparagraph (B) by striking “2008” and inserting “2019”.

SEC. 4013. UPDATED VEHICLE ALLOWANCE.

Section 5(g) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(g)) is amended—

(1) in paragraph (1)(B)(i)—

(A) by striking “(i) IN GENERAL.—Beginning” and inserting the following:
“(i) IN GENERAL.—

“(I) Beginning”, and

(B) by adding at the end the following:

“(II) Beginning on October 1, 2019, and each October 1 thereafter, the amount specified in paragraph (2)(B)(iv) shall be adjusted in the manner described in subclause (I).”, and

(2) in paragraph (2)—

(A) by amending subparagraph (B)(iv) to read as follows:

“(iv) subject to subparagraph (C), with respect to any licensed vehicle that is used for household transportation or to obtain or continue employment—

“(I) 1 vehicle for each licensed driver who is a member of such household to the extent that the fair market value of the vehicle exceeds \$12,000; and

“(II) each additional vehicle; and”, and

(B) by striking subparagraph (D).

SEC. 4014. SAVINGS EXCLUDED FROM ASSETS.

Section 5(g) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(g)), as amended by section 4013, is amended—

(1) in paragraph (1)(B)(i) by adding at the end the following:

“(III) Beginning on October 1, 2019, and each October 1 thereafter, the amount specified in paragraph (2)(B)(v) shall be adjusted in the manner described in subclause (I).”, and
 (2) in paragraph (2)(B)(v) by inserting “to the extent that the value exceeds \$2,000” after “account”.

SEC. 4015. WORKFORCE SOLUTIONS.

(a) **CONDITIONS OF PARTICIPATION.**—Section 6(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking “No” and inserting “Subject to subparagraph (C), no”,

(ii) by striking “over the age of 15 and under the age of 60” and inserting “at least 18 years of age and less than 60 years of age”,

(iii) by amending clause (i) to read as follows:

“(i) without good cause, fails to work or refuses to participate in either an employment and training program established in paragraph (4), a work program, or any combination of work, an employment and training program, or work program—

“(I) a minimum of 20 hours per week, averaged monthly in fiscal years 2021 through 2025; or

“(II) a minimum of 25 hours per week, averaged monthly in fiscal years 2026 and each fiscal year thereafter;”.

(iv) by striking clauses (ii) and (vi),

(v) in clause (iv) by adding “or” at the end,

(vi) in clause (v)(II) by striking “30 hours per week; or” and inserting “the hourly requirements applicable under paragraph (1)(B)(i).”, and

(vii) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively,

(B) by striking subparagraph (B),

(C) by amending subparagraph (C) to read as follows:

“(C) **LIMITATION.**—Subparagraph (B) shall not apply to an individual during the first month that individual would otherwise become subject to subparagraph (B) and be found in noncompliance with such subparagraph.”,

(D) in subparagraph (D)—

(i) in clause (iii)(I) by striking “(A)” each place it appears and inserting “(B)”,

(ii) in clause (iv) by striking “(A)(v)” and inserting “(B)(iv)”, and

(iii) by striking clauses (v) and (vi),

(E) by redesignating subparagraphs (A) and (D) as subparagraphs (B) and (I), respectively,

(F) by inserting before subparagraph (B), as so redesignated, the following:

“(A) **DEFINITION OF WORK PROGRAM.**—In this subsection, the term ‘work program’ means—

“(i) a program under title I of the Workforce Innovation and Opportunity Act;

“(ii) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); and

“(iii) a program of employment and training operated or supervised by a State or political subdivision of a State that meets standards approved by the chief executive officer of the State and the Secretary, other than a program under paragraph (4).”, and

(G) by inserting after subparagraph (C) the following:

“(D) **TRANSITION PERIOD.**—During each of the fiscal years 2019 and 2020, States shall continue to implement and enforce the work and employment and training program requirements consistent with this subsection, subsection (e), subsection (o) excluding paragraph (6)(F), section 7(i), section 11(e)(19), and section 16 (excluding subparagraphs (A), (B), (D), and (C) of subsection (h)(1)) as those provisions were in effect on the day before the effective date of this subparagraph.

“(E) **INELIGIBILITY.**—

“(i) **NOTIFICATION OF FAILURE TO MEET WORK REQUIREMENTS.**—The State agency shall issue a notice of adverse action to an individual not later than 10 days after the State agency determines that the individual has failed to meet the requirements applicable under subparagraph (B).

“(ii) **FIRST VIOLATION.**—The 1st time an individual receives a notice of adverse action issued under clause (i), the individual shall remain

ineligible to participate in the supplemental nutrition assistance program until—

“(I) the date that is 12 months after the date the individual became ineligible;

“(II) the date the individual obtains employment sufficient to meet the hourly requirements applicable under subparagraph (B)(i); or

“(III) the date that the individual is no longer subject to the requirements of subparagraph (B);

whichever is earliest.

“(iii) SECOND OR SUBSEQUENT VIOLATION.—The 2d or subsequent time an individual receives a notice of adverse action issued under clause (i), the individual shall remain ineligible to participate in the supplemental nutrition assistance program until—

“(I) the date that is 36 months after the date the individual became ineligible;

“(II) the date the individual obtains employment sufficient to meet the hourly requirements applicable under subparagraph (B)(i); or

“(III) the date the individual is no longer subject to the requirements of subparagraph (B);

whichever is earliest.

“(F) WAIVER.—

“(i) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of subparagraph (B) to individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

“(I) has an unemployment rate of over 10 percent;

“(II) is designated as a Labor Surplus Area by the Employment and Training Administration of the Department of Labor for the current fiscal year based on the criteria for exceptional circumstances as described in section 654.5 of title 20 of the Code of Federal Regulations;

“(III) has a 24-month average unemployment rate 20 percent or higher than the national average for the same 24-month period unless the 24-month average unemployment rate of the area is less than 6 percent, except that the 24-month period shall begin no earlier than the 24-month period the Employment and Training Administration of the Department of Labor uses to designate Labor Surplus Areas for the current fiscal year; or

“(IV) is in a State—

“(aa) that is in an extended benefit period (within the meaning of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970); or

“(bb) in which temporary or emergency unemployment compensation is being provided under any Federal law.

“(ii) JURISDICTIONS WITH LIMITED DATA.—In carrying out clause (i), in the case of a jurisdiction for which Bureau of Labor Statistics unemployment data is limited or unavailable, such as an Indian Reservation or a territory of the United States, a State may support its request based on other economic indicators as determined by the Secretary.

“(iii) LIMIT ON COMBINING JURISDICTIONS.—In carrying out clause (i), the Secretary may waive the applicability of subparagraph (B) only to a State or individual jurisdictions within a State, except in the case of combined jurisdictions that are designated as Labor Market Areas by the Department of Labor.

“(iv) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and shall make available to the public, an annual report on the basis for granting a waiver under clause (i).

“(G) 15-PERCENT EXEMPTION.—

“(i) DEFINITIONS.—In this subparagraph:

“(I) CASELOAD.—The term ‘caseload’ means the average monthly number of individuals receiving supplemental nutrition assistance program benefits during the 12-month period ending the preceding June 30.

“(II) COVERED INDIVIDUAL.—The term ‘covered individual’ means a member of a household that receives supplemental nutrition as-

sistance program benefits, or an individual denied eligibility for supplemental nutrition assistance program benefits solely due to the applicability of subparagraph (B), who—

- “(aa) is not eligible for an exception under paragraph (2);
- “(bb) does not reside in an area covered by a waiver granted under subparagraph (F); and
- “(cc) is not complying with subparagraph (B).

“(ii) GENERAL RULE.—Subject to clauses (iii) through (v), a State agency may provide an exemption from the requirements of subparagraph (B) for covered individuals.

“(iii) FISCAL YEAR 2021 AND THEREAFTER.—Subject to clauses (iv) and (v), for fiscal year 2021 and each subsequent fiscal year, a State agency may provide a number of exemptions such that the average monthly number of the exemptions in effect during the fiscal year does not exceed 15 percent of the number of covered individuals in the State in fiscal year 2019, as estimated by the Secretary, based on the survey conducted to carry out section 16(c) for the most recent fiscal year and such other factors as the Secretary considers appropriate due to the timing and limitations of the survey.

“(iv) CASELOAD ADJUSTMENTS.—The Secretary shall adjust the number of individuals estimated for a State under clause (iii) during a fiscal year if the number of members of households that receive supplemental nutrition assistance program benefits in the State varies from the State’s caseload by more than 10 percent, as determined by the Secretary.

“(v) REPORTING REQUIREMENTS.—

“(I) REPORTS BY STATE AGENCIES.—A State agency shall submit such reports to the Secretary as the Secretary determines are necessary to ensure compliance with this paragraph.

“(II) ANNUAL REPORT BY THE SECRETARY.—The Secretary shall annually compile and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and shall make available to the public, an annual report that contains the reports submitted under subclause (I) by State agencies.

“(H) OTHER PROGRAM RULES.—Nothing in this subsection shall make an individual eligible for benefits under this Act if the individual is not otherwise eligible for benefits under the other provisions of this Act.”,

(2) in paragraph (2)—

(A) in the 1st sentence—

- (i) by striking “paragraph (1)” and inserting “paragraph (1)(B)”, and
- (ii) by striking “(E)” and all that follows through the period at the end, and inserting the following:

“(E) receiving weekly earnings which equal the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), multiplied by the hourly requirement as specified in subparagraph (B); (F) medically certified as mentally or physically unfit for employment; or (G) a pregnant woman.”, and

(B) by striking the last sentence,

(3) in paragraph (3) by striking “registration requirements” and inserting “requirement”,

(4) in paragraph (4)—

(A) in subparagraph (A)—

- (i) by redesignating clause (ii) as clause (iii), and
- (ii) by inserting after clause (i) the following:

“(ii) MANDATORY MINIMUM SERVICES.—Each State agency shall offer employment and training program services sufficient for all individuals subject to the requirements of paragraph (1)(B)(i) who are not currently ineligible pursuant to paragraph (1)(E), exempt pursuant to subparagraphs (F) and (G) or paragraph (2) of subsection (d), and for all individuals covered by paragraph (1)(C), to meet the hourly requirements specified in paragraph (1)(B)(i) to the extent that such requirements will not be satisfied by hours of work or participation in a work program.”, and

(B) in subparagraph (B)—

- (i) by inserting after “contains” the following:

“case management services consisting of comprehensive intake assessments, individualized service plans, progress monitoring, and coordination with service providers, and”,

- (ii) by amending clause (i) to read as follows:

“(i) Supervised job search programs that occur at State-approved locations in which the activities of participants shall be directly supervised and the timing and activities of participants tracked in accordance with guidelines set forth by the State.”

(iii) in clause (ii) by striking “jobs skills assessments, job finding clubs, training in techniques for” and inserting “employability assessments, training in techniques to increase”,

(iv) by striking clause (iii),

(v) in clause (iv) in the 1st sentence by inserting “, including subsidized employment, apprenticeships, and unpaid or volunteer work that is limited to 6 months out of a 12-month period” before the period at the end,

(vi) in clause (v) by inserting “, including family literacy and financial literacy,” after “literacy”,

(vii) in clause (vii) by striking “not more than”, and

(viii) by redesignating clauses (iv) through (viii) as clauses (iii) through (vii), respectively,

(C) by striking subparagraphs (D), (E), and (F), and inserting the following:

“(D) Each State agency shall establish requirements for participation by non-exempt individuals in the employment and training program components listed in clauses (i) through (vii) of subparagraph (B). Such requirements may vary among participants.”,

(D) in subparagraph (H) by striking “(B)(v)” and inserting “(B)(iv)”, and

(E) by redesignating subparagraphs (G) through (M) as subparagraphs (E) through (K), respectively.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO THE FOOD AND NUTRITION ACT OF 2008.—Section 5(d)(14) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(d)(14)) is amended by striking “6(d)(4)(I)” and inserting “6(d)(4)(G)”.

(2) AMENDMENT TO OTHER LAWS.—

(A) INTERNAL REVENUE CODE OF 1986.—Section 51(d)(8)(A)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. 51(d)(8)(A)(ii)) is amended—

(i) in subclause (I) by striking “, or” and inserting a period,

(ii) by striking “family—” and all that follows through “(I) receiving” and inserting “family receiving”, and

(iii) by striking subclause (II).

(B) WORKFORCE INNOVATION AND OPPORTUNITY ACT.—The Workforce Innovation and Opportunity Act (Public Law 113–128; 128 Stat. 1425) is amended—

(i) in section 103(a)(2) by striking subparagraph (D), and

(ii) in section 121(b)(2)(B) by striking clause (iv).

(c) RELATED REQUIREMENTS.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended—

(1) in subsection (e)(5)(A) by inserting “or of an incapacitated person” after “6”, and

(2) by striking subsection (o).

(d) CONFORMING AMENDMENTS.—The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended—

(1) in section 6, as amended by section 4011 and subsection (c), by redesignating subsections (p) through (s) as subparagraphs (n) through (q), respectively, and

(2) in section 7(i)(1) by striking “6(o)(2)” and inserting “6(d)(1)(B)”.

(e) STATE PLAN.—Section 11(e)(19) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)(19)) is amended by striking “geographic areas and households to be covered under such program, and the basis, including any cost information,” and inserting “extent to which such programs will be carried out in coordination with the activities carried out under title I of the Workforce Innovation and Opportunity Act, the plan for meeting the minimum services requirement under section 6(d)(4)(A)(ii) including any cost information, and the basis”.

(f) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A) by striking “\$90,000,000” and all that follows through the period at the end and inserting the following:

“under section 18(a)(1)—

“(i) \$90,000,000 for fiscal year 2019;

“(ii) \$250,000,000 for fiscal year 2020; and

“(iii) \$1,000,000,000 for each fiscal year thereafter.”,

- (B) by amending subparagraph (B)(ii) to read as follows:
 “(ii) takes into account—
 “(I) for fiscal years 2019 and 2020, the number of individuals who are not exempt from the work requirement under section 6(o) as that section existed on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018; and
 “(II) for fiscal years 2021 and each fiscal year thereafter, the number of individuals who are not exempt from the requirements under section 6(d)(1)(B).”,
 (C) in subparagraph (D) by striking “\$50,000” and inserting “\$100,000”,
 and
 (D) by amending subparagraph (E) to read as follows:
 “(E) RESERVATION OF FUNDS.—Of the funds made available under this paragraph for fiscal year 2021 and for each fiscal year thereafter, not more than \$150,000,000 shall be reserved for allocation to States to provide training services by eligible providers identified under section 122 of the Workforce Innovation and Opportunity Act for participants in the supplemental nutrition assistance program to meet the hourly requirements under section 6(d)(1)(B) of this Act.”, and
 (2) in paragraph (5)(C)—
 (A) in clause (ii) by adding “and” at the end,
 (B) in clause (iii) by striking “; and” and inserting a period, and
 (C) by striking clause (iv).
 (g) WORK SUPPLEMENTATION OR WORK SUPPORT PROGRAM.—
 (1) REPEALER.—Subsection (b) of section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(b)) is repealed.
 (2) CONFORMING AMENDMENT.—Section 5(e)(2)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(2)(A)) is amended to read as follows:
 “(A) DEFINITION OF EARNED INCOME.—In this paragraph, the term “earned income” does not include income excluded by subsection (d).”
 (h) WORKFARE.—
 (1) REPEALER.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is repealed.
 (2) CONFORMING AMENDMENTS.—The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended—
 (A) in section 16(h)—
 (i) in paragraph (1)(F)—
 (I) in clause (i)—
 (aa) in subclause (I) by inserting “(as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018)” after “this Act”, and
 (bb) in subclause (II)(bb) by inserting “(as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018)” before the period at the end,
 (II) in clause (ii)—
 (aa) in subclause (II)(cc) by inserting “(as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018)” after “20”, and
 (bb) in subclause (III)(ee)(AA) by inserting “as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018” after “6(o)”, and
 (III) in clause (vi)(I) by inserting “as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018” after “6(d)”, and
 (ii) in paragraph (3) by striking “under section 6(d)(4)(I)(i)(II)” and inserting “for dependent care expenses under section 6(d)(4)”, and
 (B) in section 17(b)—
 (i) in paragraph (1)(B)(iv)(III)(jj) by inserting “as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018” after “20”, and
 (ii) by striking paragraph (2).

SEC. 4016. MODERNIZATION OF ELECTRONIC BENEFIT TRANSFER REGULATIONS.

Section 7(h)(2) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(2)) is amended—

- (1) in the 1st sentence by inserting “and shall periodically review such regulations and modify such regulations to take into account evolving technology and comparable industry standards” before the period at the end, and
 (2) in subparagraph (C)—

(A) by striking “(C)(i)” and all that follows through “abuse; and”, by inserting the following:

“(C)(i) risk-based measures to maximize the security of a system using the most effective technology available that the State agency considers appropriate and cost effective including consideration of recipient access and ease of use and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, alternatives for securing transactions, and other measures to protect against fraud and abuse; and”

(B) by moving the left margin of clause (ii) 4 ems to the left.

SEC. 4017. MOBILE TECHNOLOGIES.

Section 7(h)(14) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(14) is amended—

(1) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall authorize the use of mobile technologies for the purpose of accessing supplemental nutrition assistance program benefits.”

(2) in subparagraph (B)—

(A) by striking the heading and inserting “DEMONSTRATION PROJECTS ON ACCESS OF BENEFITS THROUGH MOBILE TECHNOLOGIES”,

(B) by amending clause (i) to read as follows:

“(i) DEMONSTRATION PROJECTS.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall approve not more than 5 demonstration project proposals submitted by State agencies that will pilot the use of mobile technologies for supplemental nutrition assistance program benefits access.”

(C) in clause (ii)—

(i) in the heading by striking “DEMONSTRATION PROJECTS” and inserting “PROJECT REQUIREMENTS”,

(ii) by striking “retail food store” the first place it appears and inserting “State agency”,

(iii) by striking “includes”,

(iv) by striking subclauses (I), (II), (III), and (IV), and inserting the following:

“(I) provides recipient protections regarding privacy, ease of use, household access to benefits, and support similar to the protections provided under existing methods;

“(II) ensures that all recipients, including those without access to mobile payment technology and those who shop across State borders, have a means of benefit access;

“(III) requires retail food stores, unless exempt under section 7(f)(2)(B), to bear the costs of acquiring and arranging for the implementation of point-of-sale equipment and supplies for the redemption of benefits that are accessed through mobile technologies, including any fees not described in paragraph (13);

“(IV) requires that foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

“(V) ensures adequate documentation for each authorized transaction, adequate security measures to deter fraud, and adequate access to retail food stores that accept benefits accessed through mobile technologies, as determined by the Secretary;

“(VI) provides for an evaluation of the demonstration project, including, but not limited to, an evaluation of household access to benefits; and

“(VII) meets other criteria as established by the Secretary.”

(D) by amending clause (iii) to read as follows:

“(iv) DATE OF PROJECT APPROVAL.—The Secretary shall solicit and approve the qualifying demonstration projects required under subparagraph (B)(i) not later than January 1, 2020.”

(E) by inserting after clause (ii) the following:

“(iii) PRIORITY.—The Secretary may prioritize demonstration project proposals that would—

“(I) reduce fraud;

“(II) encourage positive nutritional outcomes; and

“(III) meet such other criteria as determined by the Secretary.”

and

(3) in subparagraph (C)(i)—

(A) by striking “2017” and inserting “2022”, and

(B) by inserting “requires further study by way of an extended pilot period or” after “States” the 2d place it appears .

SEC. 4018. PROCESSING FEES.

(a) LIMITATION.—Section 7(h)(13) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(13)) is amended to read as follows:

“(13) FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection. Neither a State, nor any agent, contractor, or subcontractor of a State who facilitates the provision of supplemental nutrition assistance program benefits in such State may impose a fee for switching or routing such benefits.”.

(b) CONFORMING AMENDMENT.—Section 7(j)(1)(H) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended to read as follows:

“(H) SWITCHING.—The term “switching” means the routing of an intrastate or interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in one State to the issuer of the card that may be in the same or different State.”.

SEC. 4019. REPLACEMENT OF EBT CARDS.

Section 7(h)(8)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)(B)(ii)) is amended by striking “an excessive number of lost cards” and inserting “2 lost cards in a 12-month period”.

SEC. 4020. BENEFIT RECOVERY.

Section 7(h)(12) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(12)) is amended—

(1) in subparagraph (A) by inserting “, or due to the death of all members of the household” after “inactivity”,

(2) in subparagraph (B) by striking “6” and inserting “3”, and

(3) in subparagraph (C) by striking “12 months” and inserting “6 months, or upon verification that all members of the household are deceased”.

SEC. 4021. REQUIREMENTS FOR ONLINE ACCEPTANCE OF BENEFITS.

(a) DEFINITION.—Section 3(o)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(o)(1)) is amended by striking “or house-to-house trade route” and inserting “, house-to-house trade route, or online entity”.

(b) ACCEPTANCE OF BENEFITS.—Section 7(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(k)) is amended—

(1) by striking the heading and inserting “ACCEPTANCE OF PROGRAM BENEFITS THROUGH ONLINE TRANSACTIONS”,

(2) in paragraph (4) by striking subparagraph (C), and

(3) by striking paragraph (5).

SEC. 4022. NATIONAL GATEWAY.

(a) ISSUANCE OF BENEFITS.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended—

(1) in subsection (d) by striking “benefits by benefit issuers” and inserting “benefit issuers and other independent sales organizations, third-party processors, and web service providers that provide electronic benefit transfer services or equipment to retail food stores and wholesale food concerns,”, and

(2) by adding at the end the following:

“(1) REQUIREMENT TO ROUTE ALL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFIT TRANSFER TRANSACTIONS THROUGH A NATIONAL GATEWAY.—

“(1) DEFINITIONS.—For purposes of this section:

“(A) The term ‘independent sales organization ’ means a person or entity that—

“(i) is not a third-party processor; and

“(ii) engages in sales or service to retail food stores with respect to point-of-sale equipment necessary for electronic benefit transfer transaction processing.

“(B) The term ‘third-party processor’ means an entity, including a retail food store operating its own point-of-sale terminals, that is capable of routing electronic transfer benefit transactions for authorization.

“(C) The term ‘web service provider’ means an entity that operates a generic online purchasing website that can be customized for online electronic benefit transfer transactions for authorized retail food stores.

“(2) IN GENERAL.—Subject to paragraph (5), the Secretary shall establish a national gateway for the purpose of routing all supplemental nutrition assist-

ance program benefit transfer transactions (in this subsection referred to as ‘transactions’ unless the context specifies otherwise) to the appropriate benefit issuers for purposes of transaction validation and settlement.

“(3) REQUIREMENTS TO ROUTE TRANSACTIONS.—The Secretary shall—

“(A) ensure that protections regarding privacy, security, ease of use, and access relating to supplemental nutrition assistance benefits are maintained for benefit recipients and retail food stores;

“(B) ensure redundancy for processing of transactions;

“(C) ensure real-time monitoring of transactions;

“(D) ensure that all entities that connect to such gateway, and all others that connect to such entities, meet and follow transaction messaging standards, and other requirements, established by the Secretary;

“(E) ensure the security of transactions by using the most effective technology available that the Secretary considers to be appropriate and cost-effective; and

“(F) ensure that all transactions are routed through such gateway.

“(4) STATE AGENCY ACTION.—Each State agency shall ensure that all of its benefit issuers connect to such gateway. A State agency may opt to require its benefit issuer to route cash transactions through such gateway, subject to terms established by the Secretary.

“(5) ROUTING OF TRANSACTIONS THROUGH A NATIONAL GATEWAY.—

“(A) IN GENERAL.—Before the Secretary implements in all the States a national gateway established under paragraph (2), the Secretary shall conduct a feasibility study to assess the feasibility of routing transactions through such gateway.

“(B) FEASIBILITY STUDY.—The feasibility study conducted under subparagraph (A) shall provide, at a minimum, all of the following:

“(i) A comprehensive analysis of opportunities and challenges presented by implementation of such gateway.

“(ii) One or more options for carrying forward each of such opportunities and for mitigating each of such challenges.

“(iii) Data for purposes of analyzing the implementation of, and on-going cost of managing, such gateway.

“(iv) One or more models for cost-neutral on-going operation of a national gateway.

“(v) Other criteria, including security criteria, established by the Secretary.

“(C) DATE OF COMPLETION OF STUDY.—The Secretary shall complete the feasibility study required by subparagraph (B) not later than 1 year after the date of the enactment of the Agriculture and Nutrition Act of 2018.

“(D) IMPLEMENTATION OF A NATIONAL GATEWAY.—Not later than 1 year after the date of the completion of such study, the Secretary shall complete the nationwide implementation of a national gateway established under paragraph (2) unless the Secretary determines, based on such study, that more time is needed to implement such gateway nationwide or that nationwide implementation of such gateway is not in the best interest of the operation of the supplemental nutrition assistance program.

“(E) REPORT TO CONGRESS.—If the Secretary makes a determination described in subparagraph (D), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes the basis of such determination.

“(F) NONDISCLOSURE OF INFORMATION.—Any information collected through such gateway about a specific retail food store, wholesale food concern, person, or other entity, and any investigative methodology or criteria used for program integrity purposes that operates at or in conjunction with such gateway, shall be exempt from the disclosure requirements of section 552(a) of title 5 of the United States Code pursuant to section 552(b)(3)(B) of title 5 of the United States Code. The Secretary shall limit the use or disclosure of information obtained under this subsection in a manner consistent with section 9(c).

“(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,500,000 for fiscal year 2019, and \$9,500,000 for each of the fiscal years 2020 through 2023, to carry out this subsection. Not more than \$1,000,000 of the funds appropriated under this paragraph may be used for the feasibility study under paragraph (5)(B).

“(7) GATEWAY SUSTAINABILITY.—Benefit issuers and third-party processors shall pay fees to the gateway operator, in a manner prescribed by the Secretary, to directly access and route transactions through the national gateway.

“(A) PURPOSE.—The Secretary shall ensure that fees are collected and used solely for the operation of the gateway.

“(B) AMOUNT.—Fees shall be established by the Secretary in amounts proportionate to the number of transactions routed through the gateway by each benefit issuer and third-party processor, and based on the cost of operating the gateway in a fiscal year.

“(C) ADJUSTMENT.—The Secretary shall evaluate annually the cost of operating such gateway and shall adjust the fee in effect for a fiscal year to reflect the cost of operating such gateway, except that an adjustment under this subparagraph for any fiscal year may not exceed 10 percent of the fee charged under this paragraph in the preceding fiscal year.”

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—The 1st sentence of section 9(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2018(c)) is amended by inserting “contracts for electronic benefit transfer services and equipment, records necessary to validate the FNS authorization number to accept and redeem benefits,” after “invoices,”.

SEC. 4023. ACCESS TO STATE SYSTEMS.

(a) RECORDS.—Section 11(a)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(a)(3)(B)) is amended—

(1) by striking “Records described” and inserting “All records, and the entire information systems in which records are contained, that are covered”, and

(2) by amending clause (i) to read as follows:

“(i) be made available for inspection and audit by the Secretary, subject to data and security protocols agreed to by the State agency and Secretary;”.

(b) REPORTING REQUIREMENTS.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(1) in the last sentence of subsection (c)(4) by inserting “including providing access to applicable State records and the entire information systems in which the records are contained,” after “Secretary,”, and

(2) in subsection (g)(1)—

(A) in subparagraph (E) by striking “and” at the end,

(B) in subparagraph (F) by striking the period at the end and inserting “; and”, and

(C) by adding at the end the following:

“(G) would be accessible by the Secretary for the purposes of program oversight and would be used by the State agency to make available all records required by the Secretary.”.

SEC. 4024. TRANSITIONAL BENEFITS.

Section 11(s) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(s)) is amended—

(1) by striking the heading and inserting “TRANSITIONAL BENEFITS”,

(2) in paragraph (1)—

(A) by striking “may” and inserting “shall”, and

(B) in subparagraph (B) by striking “at the option of the State,”, and

(3) in paragraph (2)—

(A) by striking “may” and inserting “shall”, and

(B) by striking “not more than”.

SEC. 4025. INCENTIVIZING TECHNOLOGY MODERNIZATION.

Section 11(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(t)) is amended—

(1) by striking the heading and inserting “GRANTS FOR SIMPLIFIED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS”,

(2) in paragraph (1) by striking “implement—” and all that follows through the period at the end, and inserting “implement simplified supplemental nutrition assistance program application and eligibility determination systems.”, and

(3) in paragraph (2)—

(A) by amending subparagraph (B) to read as follows:

“(B) establishing enhanced technological methods for applying for benefits and determining eligibility that improve the administrative infrastructure used in processing applications and determining eligibility; or”,

(B) by striking subparagraphs (C) and (D), and

(C) by redesignating subparagraph (E) as subparagraph (C).

SEC. 4026. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFIT TRANSFER TRANSACTION DATA REPORT.

Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (A) by striking “and” at the end,
(B) in subparagraph (B) by striking the period at the end and inserting
“; and”, and

(C) by adding at the end the following:

“(C) parameters for retail food store cooperation with the Secretary sufficient to carry out subsection (i).”.

(2) by adding at the end the following:

“(i) DATA COLLECTION FOR RETAIL FOOD STORE TRANSACTIONS.—

“(1) COLLECTION OF DATA.—To assist in making improvements to supplemental nutrition assistance program design, for each interval not greater than a 2-year period, the Secretary shall—

“(A) collect a statistically significant sample of retail food store transaction data, including the cost and description of items purchased with supplemental nutrition assistance program benefits, to the extent practicable and without affecting retail food store document retention practices; and

“(B) make a summarized report of aggregated data collected under subparagraph (A) available to the public in a manner that prevents identification of individual retail food stores, individual retail food store chains, and individual members of households that use such benefits.

“(2) NONDISCLOSURE.—Any transaction data that contains information specific to a retail food store, a retail food store location, a person, or other entity shall be exempt from the disclosure requirements of Section 552(a) of title 5 of the United States Code pursuant to section 552(b)(3)(B) of title 5 of the United States Code. The Secretary shall limit the use or disclosure of information obtained under this subsection in a manner consistent with sections 9(c) and 11(e)(8).”.

SEC. 4027. ADJUSTMENT TO PERCENTAGE OF RECOVERED FUNDS RETAINED BY STATES.

Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended—

(1) in the 1st sentence by striking “35 percent” and inserting “50 percent”,
and

(2) by inserting after the 1st sentence the following:

“A State agency may use such funds retained only to carry out the supplemental nutrition assistance program, including investments in technology, improvements in administration and distribution, and actions to prevent fraud.”.

SEC. 4028. TOLERANCE LEVEL FOR PAYMENT ERRORS.

Section 16(c)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)) is amended—

(1) in subparagraph (A)(ii)—

(A) in subclause (I) by striking “and” at the end,

(B) in subclause (II)—

(i) by striking “fiscal year thereafter” and inserting “of the fiscal years 2015 through 2017”, and

(ii) by striking the period at the end and inserting “; and”, and

(C) by adding at the end the following:

“(III) for each fiscal year thereafter, \$0.”, and

(2) in subparagraph (C) by striking “fiscal year 2004” and all that follows through “second”, and inserting “any of the fiscal years 2004 through 2018 for which the Secretary determines that for the second or subsequent consecutive fiscal year, and with respect to fiscal year 2019 and any fiscal year thereafter for which the Secretary determines that for the third”.

SEC. 4029. STATE PERFORMANCE INDICATORS.

Section 16(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is amended—

(1) by striking the heading and inserting “STATE PERFORMANCE INDICATORS”,

(2) in paragraph (2)—

(A) in the heading by striking “AND THEREAFTER” and inserting “THROUGH 2017”,

(B) in subparagraph (A) by striking “and each fiscal year thereafter” and inserting “through fiscal year 2017”, and

(C) in subparagraph (B) by striking “and each fiscal year thereafter” and inserting “through fiscal year 2017”, and

(3) by adding at the end the following:

“(6) FISCAL YEAR 2018 AND FISCAL YEARS THEREAFTER.—With respect to fiscal year 2018 and each fiscal year thereafter, the Secretary shall establish, by regulation, performance criteria relating to—

“(A) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and
 “(B) other indicators of effective administration determined by the Secretary.”.

SEC. 4030. PUBLIC-PRIVATE PARTNERSHIPS.

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended by adding at the end the following:

“(m) PILOT PROJECTS TO ENCOURAGE THE USE OF PUBLIC-PRIVATE PARTNERSHIPS COMMITTED TO ADDRESSING FOOD INSECURITY.—

“(1) IN GENERAL.—The Secretary may, on application, permit not more than 10 eligible entities to carry out pilot projects to support public-private partnerships that address food insecurity and poverty.

“(2) DEFINITION.—For purposes of this subsection, an ‘eligible entity’ means—

- “(A) a State;
- “(B) a unit of local government;
- “(C) a nonprofit organization;
- “(D) a community-based organization; and
- “(E) an institution of higher education.

“(3) PROJECT REQUIREMENTS.—Projects approved under this subsection shall be limited to 2 years in length and evaluate the impact of the ability of eligible entities to—

- “(A) improve the effectiveness and impact of the supplemental nutrition assistance program;
- “(B) develop food security solutions that are contextualized to the needs of a community or region; and
- “(C) strengthen the capacity of communities to address food insecurity and poverty.

“(4) REPORTING.—Participating entities shall report annually to the Secretary who shall submit a final report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Such report shall include—

- “(A) a summary of the activities conducted under the pilot projects;
- “(B) an assessment of the effectiveness of the pilot projects; and
- “(C) best practices regarding the use of public-private partnerships to improve the effectiveness of public benefit programs to address food insecurity and poverty.

“(5) AUTHORIZATION AND ADVANCE AVAILABILITY OF APPROPRIATIONS.—

“(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 to remain available until expended.

“(B) APPROPRIATION IN ADVANCE.—Only funds appropriated under subparagraph (A) in advance specifically to carry out this subsection shall be available to carry out this subsection.”.

SEC. 4031. AUTHORIZATION OF APPROPRIATIONS.

The 1st sentence of section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 4032. EMERGENCY FOOD ASSISTANCE.

Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

- (1) in paragraph (1) by striking “2018” and inserting “2023”,
- (2) in paragraph (2)—
 - (A) in subparagraph (C) by striking “2018” and inserting “2023”,
 - (B) in subparagraph (D)—
 - (i) by striking “2018” the 1st place it appears and inserting “2019”,
 - (ii) in clause (iii) by striking “and” at the end, and
 - (iii) by adding at the end the following:
 “(v) for fiscal year 2019, \$60,000,000; and”, and
 - (C) in subparagraph (E)—
 - (i) by striking “2019” and inserting “2020”,
 - (ii) by striking “(D)(iv)” and inserting “(D)(v)”, and
 - (iii) by striking “2017” and inserting “2018”, and
- (3) by adding at the end the following:

“(4) FARM-TO-FOOD-BANK FUND.—From amounts made available under subparagraphs (D) and (E) of paragraph (2), the Secretary shall distribute \$20,000,000 in accordance with section 214 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7515) that States shall use to procure or enter into agreements with a food bank to procure excess fresh fruits and vegetables grown in

the State, or surrounding regions in the United States, to be provided to eligible recipient agencies as defined in section 201A(3) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(3)).”.

SEC. 4033. NUTRITION EDUCATION.

(a) NUTRITION EDUCATION AND OBESITY PREVENTION GRANT PROGRAM.—Section 28 of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a) is amended—

(1) by amending subsection (a) to read as follows:

“(a) DEFINITIONS.—As used in this section:

“(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible individual’ means an individual who is eligible to receive benefits under a nutrition education and obesity prevention program under this section as a result of being—

“(A) an individual eligible for benefits under—

“(i) this Act;

“(ii) sections 9(b)(1)(A) and 17(c)(4) of the Richard B Russell National School Lunch Act (42 U.S.C. 1758(b)(1)(A), 1766(c)(4)); or

“(iii) section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A));

“(B) an individual who resides in a community with a significant low-income population, as determined by the Secretary; or

“(C) such other low-income individual as is determined to be eligible by the Secretary.

“(2) ELIGIBLE INSTITUTION.—The term ‘eligible institution’ includes any ‘1862 Institution’ or ‘1890 Institution’, as defined in section 2 of the Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601).”.

(2) in subsection (b) by striking “Consistent with the terms and conditions of grants awarded under this section, State agencies may” and inserting “The Secretary, acting through the Director of the National Institute of Food and Agriculture, in consultation with the Administrator of the Food and Nutrition Service, shall”.

(3) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—Consistent with the terms and conditions of grants awarded under this section, eligible institutions shall deliver nutrition education and obesity prevention services under a program described in subsection (b) that—

“(A) to the extent practicable, provide for the employment and training of professional and paraprofessional aides from the target population to engage in direct nutrition education; and

“(B) partner with other public and private entities as appropriate to optimize program delivery.”.

(B) in paragraph (2)—

(i) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—A State agency, in consultation with eligible institutions that provide nutrition education and obesity prevention services under this subsection, shall submit to the Secretary for approval a nutrition education State plan.”.

(ii) in subparagraph (B) by striking “Except as provided in subparagraph (C), a” and inserting “A”, and

(iii) by striking subparagraph (C),

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) by striking “A State agency” and inserting “An eligible institution”, and

(II) by inserting “the Director of the National Institute of Food and Agriculture and” after “by”, and

(ii) in subparagraph (B) by inserting “the Director of the National Institute of Food and Agriculture and” after “education,”, and

(D) in paragraph (4) by inserting “and eligible institutions” after “agencies”, and

(E) in paragraph (5) by striking “State agency” and inserting “eligible institutions”.

(4) in subsection (d)—

(A) in paragraph (1)—

(i) in the heading by striking “IN GENERAL” and inserting “BASIC FUNDING”.

(ii) by striking “to State agencies”.

(iii) in subparagraph (E) by striking “and” at the end.

(iv) in subparagraph (F)—

(I) by striking “year 2016 and each subsequent fiscal year” and inserting “years 2016 through 2018”, and

(II) by striking the period at the end and inserting a semicolon, and

(v) by adding at the end the following:

“(G) for fiscal year 2019, \$485,000,000; and

“(H) for fiscal year 2020 and each subsequent fiscal year, the applicable amount during the preceding fiscal year, as adjusted to reflect any increases for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”,

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting “and appropriated under the authority of paragraph (2)” after “paragraph (1)”, and

(II) in clause (ii)—

(aa) by inserting “(as that section existed on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018)” after “(B)” and

(bb) in subclause (V) by striking “and each fiscal year thereafter”, and

(ii) by amending subparagraph (B) to read as follows:

“(C) REALLOCATION.—If the Secretary determines that an eligible institution will not expend all of the funds allocated to the eligible institution for a fiscal year under paragraph (1) or in the case of an eligible institution that elects not to receive the entire amount of funds allocated to the eligible institution for a fiscal year, the Secretary shall reallocate the unexpended funds to other eligible institutions during the fiscal year or the subsequent fiscal year (as determined by the Secretary) that have approved State plans under which the eligible institutions may expend the reallocated funds.”, and

(iii) by inserting after subparagraph (A) the following:

“(B) SUBSEQUENT ALLOCATION.—Of the funds set aside under paragraph (1) and appropriated under the authority of paragraph (2) for fiscal year 2019 and each fiscal year thereafter, 100 percent shall be allocated to eligible institutions pro rata based on the respective share of each State of the number of individuals participating in the supplemental nutrition assistance program during the 12-month period ending the preceding January 31, as determined by the Secretary.”,

(C) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(D) by inserting after paragraph (1) the following:

“(2) AUTHORIZATION AND ADVANCE AVAILABILITY OF APPROPRIATIONS.—

“(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$65,000,000 for each of the fiscal years 2019 through 2023.

“(B) APPROPRIATION IN ADVANCE.—Except as provided in subparagraph (C), only funds appropriated under subparagraph (A) in advance specifically to carry out this section shall be available to carry out this section.

“(C) OTHER FUNDS.—Funds appropriated under this paragraph shall be in addition to funds made available under paragraph (1).”, and

(E) by inserting after paragraph (4), as so redesignated, the following:

“(5) ADMINISTRATIVE COSTS.—Not more than 10 percent of the funds allocated to eligible institutions may be used by the eligible institutions for administrative costs.”, and

(5) in subsection (e) by striking “January 1, 2012” and inserting “18 months after the date of the enactment of the Agriculture and Nutrition Act of 2018”.

(b) RELATED AMENDMENT.—Section 18(a)(3)(A)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(3)(A)(ii)) is amended by striking “, such as the expanded food and nutrition education program”.

SEC. 4034. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

Section 29(c)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036b(c)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 4035. TECHNICAL CORRECTIONS.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended—

(1) in section 3—

(A) in subsections (d) and (i) by striking “7(i)” and inserting “7(h)”, and

(B) in subsection (o)(1)(A) by striking “(r)(1)” and inserting “(q)(1)”,

- (2) in section 5(a) by striking “and section” each place it appears and all that follows through “households” the respective next place it appears, and inserting “and section 3(m)(4), households”,
- (3) in subsections (e)(1) and (f)(1)(A)(i) of section 8 by striking “3(n)(5)” and inserting “3(m)(5)”,
- (4) in the 1st sentence of section 10—
 - (A) by striking “or the Federal Savings and Loan Insurance Corporation” each place it appears, and
 - (B) by striking “3(p)(4)” and inserting “3(o)(4)”,
- (5) in section 11—
 - (A) in subsection (a)(2) by striking “3(t)(1)” and inserting “3(s)(1)”, and
 - (B) in subsection (d)—
 - (i) by striking “3(t)(1)” each place it appears and inserting “3(s)(1)”, and
 - (ii) by striking “3(t)(2)” each place it appears and inserting “3(s)(2)”,
 - (C) in subsection (e)—
 - (i) in paragraph (17) by striking “3(t)(1)” inserting “3(s)(1)”, and
 - (ii) in paragraph (23) by striking “Simplified Supplemental Nutrition Assistance Program” and inserting “simplified supplemental nutrition assistance program”,
- (6) in section 15(e) by striking “exchange” and all that follows through “anything”, and inserting “exchange for benefits, or anything”,
- (7) in section 17(b)(1)(B)(iv)—
 - (A) in subclause (III)(aa) by striking “3(n)” and inserting “3(m)”, and
 - (B) in subclause (VII) by striking “7(i)” and inserting “7(h)”,
- (8) in section 25(a)(1)(B)(i)(I) by striking the 2d semicolon at the end, and
- (9) in section 26(b) by striking “out” and all that follows through “(referred)”, and inserting “out a simplified supplemental nutrition assistance program (referred)”.

SEC. 4036. IMPLEMENTATION FUNDS.

Out of any funds made available under section 18(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)) for fiscal year 2019, the Secretary shall use to carry out the amendments made by this subtitle \$150,000,000, to remain available until expended.

Subtitle B—Commodity Distribution Programs

SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.

The 1st sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking “2018” and inserting “2023”.

SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

- (1) in subsection (a)—
 - (A) in paragraph (1) by striking “2018” and inserting “2023”, and
 - (B) in paragraph (2) by striking “2018” and inserting “2023”, and
- (2) in subsection (d)(2) by striking “2018” and inserting “2023”.

SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by striking “2018” and inserting “2023”.

Subtitle C—Miscellaneous

SEC. 4201. PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.

Section 10603(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c-4(b)) is amended by striking “2018” and inserting “2023”.

SEC. 4202. SENIORS FARMERS’ MARKET NUTRITION PROGRAM.

Section 4402(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007(a)) is amended by striking “2018” and inserting “2023”.

SEC. 4203. HEALTHY FOOD FINANCING INITIATIVE.

Section 243(d) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6953) is amended by striking “until expended” and inserting “until October 1, 2023”.

SEC. 4204. AMENDMENTS TO THE FRUIT AND VEGETABLE PROGRAM.

Section 19 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769a) is amended—

- (1) in the section heading, by striking “**FRESH**” ;
- (2) in subsection (a), by inserting “, canned, dried, frozen, or pureed” after “fresh”;
- (3) in subsection (b), by inserting “, canned, dried, frozen, or pureed” after “fresh”; and
- (4) in subsection (e), by inserting “, canned, dried, frozen, or pureed” after “fresh”.

TITLE V—CREDIT**Subtitle A—Farm Ownership Loans****SEC. 5101. MODIFICATION OF THE 3-YEAR EXPERIENCE ELIGIBILITY REQUIREMENT FOR FARM OWNERSHIP LOANS.**

Section 302(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)) is amended by adding at the end the following:

“(4) **WAIVER AUTHORITY.**—In the case of a qualified beginning farmer or rancher, the Secretary may—

“(A) reduce the 3-year requirement in paragraph (1) to—

“(i) 2 years, if the farmer or rancher has—

“(I) 16 credit hours of post-secondary education in a field related to agriculture;

“(II) at least 1 year of direct substantive management experience in a business;

“(III) been honorably discharged from the armed forces of the United States;

“(IV) successfully repaid a youth loan made under section 311(b);

or

“(V) an established relationship with an individual participating as a counselor in a Service Corps of Retired Executives program authorized under section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), or with a local farm or ranch operator or organization, approved by the Secretary, that is committed to mentoring the farmer or rancher; or

“(ii) 1 year, if the farmer or rancher has military leadership or management experience from having completed an acceptable military leadership course; or

“(B) waive the 3-year requirement in paragraph (1) if the farmer or rancher—

“(i) meets a requirement of subparagraph (A)(i) (other than subclause (V) thereof) and meets the requirement of subparagraph (A)(ii); and

“(ii) meets the requirement of subparagraph (A)(i)(V).”.

SEC. 5102. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.

Section 304(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(h)) is amended—

- (1) by striking “\$150,000,000” and inserting “\$75,000,000”; and
- (2) by striking “2018” and inserting “2023”.

SEC. 5103. FARM OWNERSHIP LOAN LIMITS.

Section 305(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) is amended—

- (1) by striking “\$700,000” and inserting “\$1,750,000”; and
- (2) by striking “2000” and inserting “2019”.

Subtitle B—Operating Loans

SEC. 5201. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

Section 313(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943(a)(1)) is amended—

- (1) by striking “\$700,000” and inserting “\$1,750,000”; and
- (2) by striking “2000” and inserting “2019”.

SEC. 5202. MICROLOANS.

Section 313(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943(c)(2)) is amended by striking “title” and inserting “subsection”.

Subtitle C—Administrative Provisions

SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

Section 333B(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b(h)) is amended by striking “2018” and inserting “2023”.

SEC. 5302. LOAN AUTHORIZATION LEVELS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended in the matter preceding subparagraph (A) by striking “2018” and inserting “2023”.

SEC. 5303. LOAN FUND SET-ASIDES.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended by striking “2018” and inserting “2023”.

Subtitle D—Technical Corrections to the Consolidated Farm and Rural Development Act

SEC. 5401. TECHNICAL CORRECTIONS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a)(1) Section 310E(d)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(d)(3)) is amended by inserting “and socially disadvantaged farmers or ranchers” after “ranchers” the second place it appears.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 5004(4)(A)(i) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246) in lieu of the amendment made by such section.

(b)(1) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended in the second sentence by striking “and limited liability companies” and inserting “limited liability companies, and such other legal entities”.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 5201 of the Agricultural Act of 2014 (Public Law 113–79) in lieu of the amendment made by such section.

(c)(1) Section 331D(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981d(e)) is amended by inserting after “within 60 days after receipt of the notice required in this section” the following: “or, in extraordinary circumstances as determined by the applicable State director, after the 60-day period”.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 10 of the Agricultural Credit Improvement Act of 1992 (Public Law 102–554).

(d)(1) Section 333A(f)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(f)(1)(A)) is amended by striking “114” and inserting “339”.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 14 of the Agricultural Credit Improvement Act of 1992 (Public Law 102–554).

(e) Section 339(d)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989(d)(3)) is amended by striking “preferred certified lender” and inserting “Preferred Certified Lender”.

(f)(1) Section 343(a)(11)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(C)) is amended by striking “or joint operators” and inserting “joint operator, or owners”.

(2) The amendment made by this subsection shall take effect as of the effective date of section 5303(a)(2) of the Agricultural Act of 2014.

(g)(1) Section 343(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(b)) is amended by striking “307(e)” and inserting “307(d)”.

(2) The amendment made by paragraph (1) shall take effect as if included in the enactment of section 5004 of the Agricultural Act of 2014 (Public Law 113–79).

(h) Section 346(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(a)) is amended by striking the last comma.

Subtitle E—Amendments to the Farm Credit Act of 1971

SEC. 5501. ELIMINATION OF OBSOLETE REFERENCES.

(a) Section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) is amended to read as follows:

“(a) COMPOSITION.—The Farm Credit System shall include the Farm Credit Banks, banks for cooperatives, Agricultural Credit Banks, the Federal land bank associations, the Federal land credit associations, the production credit associations, the Agricultural Credit Associations, the Federal Farm Credit Banks Funding Corporation, the Federal Agricultural Mortgage Corporation, service corporations established pursuant to section 4.25 of this Act, and such other institutions as may be made a part of the System, all of which shall be chartered by and subject to regulation by the Farm Credit Administration.”

(b) Section 2.4 of such Act (12 U.S.C. 2075) is amended by striking subsection (d).

(c) Section 3.0 of such Act (12 U.S.C. 2121) is amended—

(1) in the 3rd sentence, by striking “and a Central Bank for Cooperatives”; and

(2) by striking the 5th sentence.

(d) Section 3.2(a)(1) of such Act (12 U.S.C. 2123(a)(1)) is amended—

(1) by striking “not merged into the United Bank for Cooperatives or the National Bank for Cooperatives”; and

(2) by adding at the end the following: “Section 7.12(c) shall apply to the board of directors of a merged bank for cooperatives.”

(e) Section 3.2(a)(2)(A) of such Act (12 U.S.C. 2123(a)(2)(A)) is amended by striking “(other than the National Bank for Cooperatives)”.

(f) Section 3.2 of such Act (12 U.S.C. 2123) is amended—

(1) by striking subsection (b);

(2) in subsection (a)(2)(B), by striking “paragraph” and inserting “subsection”;

(3) by striking “(a)(1)” and inserting “(a)”;

(4) by striking “(2)(A)” and inserting “(b)(1)”;

(5) by striking “(i)” and inserting “(A)”;

(6) by striking “(ii)” and inserting “(B)”;

(7) by striking “(B)” and inserting “(2)”.

(g) Section 3.5 of such Act (12 U.S.C. 2126) is amended by striking “district”.

(h) Section 3.7(a) of such Act (12 U.S.C. 2128(a)) is amended by striking the second sentence.

(i) Section 3.8(b)(1)(A) of such Act (12 U.S.C. 2129(b)(1)(A)) is amended by inserting “(or successor agency)” after “Rural Electrification Administration”.

(j) Section 3.9(a) of such Act (12 U.S.C. 2130(a)) is amended by striking the 3rd sentence.

(k) Section 3.10(c) of such Act (12 U.S.C. 2131(c)) is amended by striking the second sentence.

(l) Section 3.10(d) of such Act (12 U.S.C. 2131(d)) is amended—

(1) by striking “district” each place it appears; and

(2) by inserting “for cooperatives or successor bank” before “on account of such indebtedness”.

(m) Section 3.11 of such Act (12 U.S.C. 2132) is amended—

(1) in subsection (a), by striking “subsections (b) and (c)” and inserting “subsection (b)”;

(2) in subsection (b)—

(A) by striking “district”; and

(B) by striking “Except as provided in subsection (c) below, all” and inserting “All”; and

(3) by striking subsection (c) and redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(n) The heading for part B of title III of such Act is amended by striking “UNITED AND”.

(o) Section 3.20(a) of such Act (12 U.S.C. 2141(a)) is amended by striking “or the United Bank for Cooperatives, as the case may be”.

(p) Section 3.20(b) of such Act (12 U.S.C. 2141(b)) is amended by striking “the district banks for cooperatives and the Central Bank for Cooperatives” and inserting “all constituent banks referred to in section 413 of the Agricultural Credit Act of 1987”.

(q) Section 3.21 of such Act (12 U.S.C. 2142) is repealed.

(r) Section 3.28 of such Act (12 U.S.C. 2149) is amended by striking “a district bank for cooperatives and the Central Bank for Cooperatives” and inserting “its constituent banks referred to in section 413 of the Agricultural Credit Act of 1987”.

(s) Section 3.29 of such Act (12 U.S.C. 2150) is repealed.

(t)(1) Section 4.0 of such Act (12 U.S.C. 2151) is repealed.

(2) Section 5.60(b) of such Act (12 U.S.C. 2277a-9(b)) is amended to read as follows:

“(b) AMOUNTS IN FUND.—The Corporation shall deposit in the Insurance Fund all premium payments received by the Corporation under this part.”.

(u)(1) Section 4.8 of such Act (12 U.S.C. 2159) is amended—

(A) by striking “(a)”; and

(B) by striking subsection (b).

(2) Section 1.1(c) of such Act (12 U.S.C. 2001(c)) is amended by striking “including any costs of defeasance under section 4.8(b).”.

(v) Section 4.9(d)(2) of such Act (12 U.S.C. 2160(d)(2)) is amended to read as follows:

“(2) REPRESENTATION ON BOARD.—The Farm Credit System Insurance Corporation shall have no representation on the board of directors of the Corporation.”.

(w) Section 4.9 of such Act (12 U.S.C. 2160) is amended by striking subsection (e) and redesignating subsection (f) as subsection (e).

(x) Section 4.9A(c) of such Act (12 U.S.C. 2162(c)) is amended to read as follows:

“(c) INABILITY TO RETIRE STOCK AT PAR VALUE.—If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the Farm Credit System Insurance Corporation, acting as receiver, shall retire such stock at par value as would have been retired in the ordinary course of business of the institution. The Farm Credit System Insurance Corporation shall make use of sufficient funds from the Farm Credit Insurance Fund to carry out this section.”.

(y) Section 4.12A(a)(1) of such Act (12 U.S.C. 2184(a)(1)) is amended to read as follows:

“(1) IN GENERAL.—Every Farm Credit System bank or association shall provide a current list of its stockholders, within 7 calendar days after receipt of a written request by a stockholder, to the requesting stockholder.”.

(z) Section 4.14A(a) of such Act (12 U.S.C. 2202a(a)) is amended by inserting “and section 4.36” after “As used in this part”.

(aa)(1) Section 4.14A of such Act (12 U.S.C. 2202a) is amended—

(A) in subsection (l), by striking “production credit”; and

(B) by striking subsection (h) and redesignating subsections (i) through (l) as subsections (h) through (k), respectively.

(2)(A) Section 5.31 of such Act (12 U.S.C. 2267) is amended by striking “4.14A(i)” and inserting “4.14A(h)”.

(B) Section 5.32(h) of such Act (12 U.S.C. 2268(h)) is amended by striking “4.14A(i)” and inserting “4.14A(h)”.

(bb)(1) Section 4.14C of such Act (12 U.S.C. 2202c) is repealed.

(2)(A) Section 4.14A(a)(5)(B)(ii)(I) of such Act (12 U.S.C. 2202a(a)(5)(B)(ii)(I)) is amended by striking “4.14C.”.

(B) Section 8.9 of such Act (12 U.S.C. 2279aa-9) is amended by striking “4.14C,” each place it appears.

(cc) Section 4.17 of such Act (12 U.S.C. 2205) is amended by striking “Federal intermediate credit banks and”.

(dd) Section 4.19(a) of such Act (12 U.S.C. 2207(a)) is amended—

(1) by striking “district”;

(2) by striking “Federal land bank association and production credit”; and

(3) by striking “units” and inserting “institutions”.

(ee) Section 4.38 of such Act (12 U.S.C. 2219c) is amended by striking “The Assistance Board established under section 6.0 and all” and inserting “All”.

(ff) Section 5.17(a)(2) of such Act (12 U.S.C. 2252(a)(2)) is amended by striking the second and 3rd sentences.

(gg) Section 5.18 of such Act (12 U.S.C. 2253) is repealed.

(hh) Section 5.19(a) of such Act (12 U.S.C. 2254(a)) is amended—

(1) by striking “Except for Federal land bank associations, each” and inserting “Each”; and

(2) by striking the second sentence.

(ii) Section 5.19(b) of such Act (12 U.S.C. 2254(b)) is amended—

- (1) in the second sentence of paragraph (1), by striking “except with respect to any actions taken by any banks of the System under section 4.8(b);”;
 - (2) by striking the third sentence of paragraph (1);
 - (3) by striking “(b)(1)” and inserting “(b);”;
 - (4) by striking paragraphs (2) and (3).
- (jj) Section 5.35(4) of such Act (12 U.S.C. 2271(4)) is amended—
- (1) in subparagraph (C)—
 - (A) by striking “after December 31, 1992;”;
 - (B) by striking “by the Farm Credit System Assistance Board under section 6.6 or”; and
 - (2) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).
- (kk) Section 5.38 of such Act (12 U.S.C. 2274) is amended by striking “a farm credit district board, bank board, or bank officer or employee shall not remove any director or officer of any production credit association or Federal land bank association” and inserting “a Farm Credit Bank board, officer, or employee shall not remove any director or officer of any association”.
- (ll) Section 5.44 of such Act (12 U.S.C. 2275) is repealed.
- (mm) Section 5.58(2) of such Act (12 U.S.C. 2277a-7) is amended by striking the second sentence.
- (nn) Subtitle A of title VI of such Act (12 U.S.C. 2278a-2278a-11) is repealed.
- (oo) Title VI of such Act (12 U.S.C. 2278a-2278b-11) is amended by adding at the end the following:
- “SEC. 6.32. TERMINATION OF AUTHORITY.**
- “The authority provided in this subtitle shall terminate on December 31, 2018.”.
- (pp) Section 7.9 of such Act (12 U.S.C. 2279c-2) is amended by striking subsection (c).
- (qq) Section 7.10(a)(4) of such Act (12 U.S.C. 2279d(a)(4)) is amended to read as follows:
- “(4) the institution pays to the Farm Credit Insurance Fund the amount by which the total capital of the institution exceeds 6 percent of the assets;”.
- (rr) Section 8.0(2) of such Act (12 U.S.C. 2279aa(2)) is amended to read as follows:
- “(2) BOARD.—The term ‘Board’ means the board of directors established under section 8.2.”.
- (ss)(1) Section 8.0 of such Act (12 U.S.C. 2279aa) is amended by striking paragraphs (6) and (8), and redesignating paragraphs (7), (9), and (10) as paragraphs (6) through (8), respectively.
- (2)(A) Section 4.39 of such Act (12 U.S.C. 2219d) is amended by striking “8.0(7)” and inserting “8.0(6)”.
- (B) Section 8.6(e)(2) of such Act (12 U.S.C. 2279aa-6(e)(2)) is amended by striking “8.0(9)” and inserting “8.0(7)”.
- (C) Section 8.11(e) of such Act (12 U.S.C. 2279aa-11(e)) is amended by striking “8.0(7)” and inserting “8.0(6)”.
- (D) Section 8.32(a)(1)(B) of such Act (12 U.S.C. 2279bb-1(a)(1)(B)) is amended by striking “8.0(9)(C)” and inserting “8.0(7)(C)”.
- (tt)(1) Section 8.2 of such Act (12 U.S.C. 2279aa-2) is amended—
- (A) in subsection (b)—
 - (i) in the subsection heading, by striking “PERMANENT BOARD” and inserting “BOARD OF DIRECTORS”;
 - (ii) by striking paragraph (1) and inserting the following:

“(1) ESTABLISHMENT.—The Corporation shall be under the management of the Board of Directors.”;
 - (iii) by striking paragraph (3) and redesignating paragraphs (4) through (10) as paragraphs (3) through (9), respectively; and
 - (iv) by striking “permanent” each place it appears in paragraphs (2), and (3) through (9) (as so redesignated); and
 - (B) by striking subsection (a) and redesignating subsections (b) and (c) as subsections (a) and (b), respectively.
- (2) Section 8.4(a)(1) of such Act (12 U.S.C. 2279aa-4) is amended—
- (A) by striking the 3rd sentence;
 - (B) by inserting after the 1st sentence the following: “Voting common stock shall be offered to banks, other financial entities, insurance companies, and System institutions under such terms and conditions as the Board may adopt. The voting stock shall be fairly and broadly offered to ensure that no institution or institutions acquire a disproportionate amount of the total amount of voting common stock outstanding of a class and that capital contributions and issuances of voting common stock for the contributions are fairly distributed be-

tween entities eligible to hold Class A and Class B stock, as provided under this paragraph.”;

(C) by striking “8.2(b)(2)(A)” and inserting “8.2(a)(2)(A)”; and

(D) by striking “8.2(b)(2)(B)” and inserting “8.2(a)(2)(B)”.

(uu)(1) Section 8.6 of such Act (12 U.S.C. 2279aa-6) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

(2)(A) Paragraph (7)(B)(i) of section 8.0 of such Act (12 U.S.C. 2279aa), as redesignated by subsection (ss)(1), is amended by striking “through (d)” and inserting “and (c)”.

(B) Section 8.33(b)(2)(A) of such Act (12 U.S.C. 2279bb-2(b)(2)(A)) is amended by striking “8.6(e)” and inserting “8.6(d)”.

(vv) Section 8.32(a) of such Act (12 U.S.C. 2279bb-1(a)) is amended by striking “Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Farm Credit System Reform Act of 1996, the” and inserting “The”.

(ww) Section 8.35 of such Act (12 U.S.C. 2279bb-4) is amended by striking subsection (e).

(xx) Section 8.38 of such Act (12 U.S.C. 2279bb-7) is repealed.

SEC. 5502. CONFORMING REPEALS.

(a) Sections 4, 5, 6, 7, 8, 14, and 15 of the Agricultural Marketing Act (12 U.S.C. 1141b, 1141c, 1141d, 1141e, 1141f, 1141i, and 1141j) are repealed.

(b) The Act of June 22, 1939, (Chapter 239; 53 Stat. 853; 12 U.S.C. 1141d-1) is repealed.

(c) Section 201 of the Emergency Relief and Construction Act of 1932 (12 U.S.C. 1148) is repealed.

(d) Section 2 of the Act of July 14, 1953, (Chapter 192; 67 Stat. 150; 12 U.S.C. 1148a-4) is repealed.

(e) Sections 32 through 34 of the Farm Credit Act of 1937 (12 U.S.C. 1148b, 1148c, and 1148d) are repealed.

(f) Sections 1 through 4 of the Act of March 3, 1932, (12 U.S.C. 1401 through 1404) are repealed.

SEC. 5503. FACILITY HEADQUARTERS.

Section 5.16 of the Farm Credit Act of 1971 (12 U.S.C. 2251) is amended by striking all that precedes “to the rental of quarters” and inserting the following:

“SEC. 5.16. QUARTERS AND FACILITIES FOR THE FARM CREDIT ADMINISTRATION.

“(a) The Farm Credit Administration shall maintain its principal office within the Washington D.C.-Maryland-Virginia standard metropolitan statistical area, and such other offices within the United States as in its judgment are necessary.

“(b) As an alternate”.

SEC. 5504. SHARING PRIVILEGED AND CONFIDENTIAL INFORMATION.

Section 5.19 of the Farm Credit Act of 1971 (12 U.S.C. 2254) is amended by adding at the end the following:

“(e) A System institution shall not be considered to have waived the confidentiality of a privileged communication with an attorney or accountant if the institution provides the content of the communication to the Farm Credit Administration pursuant to the supervisory or regulatory authorities of the Farm Credit Administration.”.

SEC. 5505. SCOPE OF JURISDICTION.

Part C of title V of the Farm Credit Act of 1971 (12 U.S.C. 2261-2274) is amended by inserting after section 5.31 the following:

“SEC. 5.31A. SCOPE OF JURISDICTION.

“(a) For purposes of sections 5.25, 5.26, and 5.33, the jurisdiction of the Farm Credit Administration over parties, and the authority of the Farm Credit Administration to initiate actions, shall include enforcement authority over institution-affiliated parties.

“(b) The resignation, termination of employment or participation, or separation of an institution-affiliated party (including a separation caused by the merger, consolidation, conservatorship, or receivership of a System institution) shall not affect the jurisdiction and authority of the Farm Credit Administration to issue any notice or order and proceed under this part against any such party, if the notice or order is served before the end of the 6-year period beginning on the date the party ceased to be such a party with respect to the System institution (whether the date occurs before, on, or after the date of the enactment of this section).”.

SEC. 5506. DEFINITION.

Section 5.35 of the Farm Credit Act of 1971 (12 U.S.C. 2271) is amended—

(1) by striking “and” at the end of paragraph (3); and

(2) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

“(4) the term ‘institution-affiliated party’ means—

“(A) any director, officer, employee, shareholder, or agent of a System institution;

“(B) any independent contractor (including any attorney, appraiser, or accountant) who knowingly or recklessly participates in—

“(i) any violation of law (including regulations) that is associated with the operations and activities of 1 or more institutions;

“(ii) any breach of fiduciary duty; or

“(iii) any unsafe or unsound practice, which caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, a System institution; and

“(C) any other person, as determined by the Farm Credit Administration (by regulation or on a case-by-case basis) who participates in the conduct of the affairs of a System institution; and”.

SEC. 5507. EXPANSION OF ACREAGE EXCEPTION TO LOAN AMOUNT LIMITATION.

(a) **IN GENERAL.**—Section 8.8(c)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(c)(2)) is amended by striking “1,000” and inserting “2,000”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall take effect 1 year after the date a report submitted in accordance with section 5602 of this Act indicates that it is feasible to increase the acreage limitation in section 8.8(c)(2) of the Farm Credit Act of 1971 to 2,000 acres.

SEC. 5508. COMPENSATION OF BANK DIRECTORS.

Section 4.21 of the Farm Credit Act of 1971 (12 U.S.C. 2209) is repealed.

SEC. 5509. PROHIBITION ON USE OF FUNDS.

Section 5.65 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–14) is amended by adding at the end the following:

“(e) **PROHIBITION ON USES OF FUNDS RELATED TO FEDERAL AGRICULTURAL MORTGAGE CORPORATION.**—No funds from administrative accounts or from the Farm Credit System Insurance Fund may be used by the Corporation to provide assistance to the Federal Agricultural Mortgage Corporation or to support any activities related to the Federal Agricultural Mortgage Corporation.”.

Subtitle F—Miscellaneous

SEC. 5601. STATE AGRICULTURAL MEDIATION PROGRAMS.

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking “2018” and inserting “2023”.

SEC. 5602. STUDY ON LOAN RISK.

(a) **STUDY.**—The Farm Credit Administration shall conduct a study that—

(1) analyzes and compares the financial risks inherent in loans made, held, securitized, or purchased by Farm Credit banks, associations, and the Federal Agricultural Mortgage Corporation and how such risks are required to be capitalized under statute and regulations in effect as of the date of the enactment of this Act; and

(2) assesses the feasibility of increasing the acreage exception provided in section 8.8(c)(2) of the Farm Credit Act of 1971 to 2,000 acres.

(b) **TIMELINE.**—The Farm Credit Administration shall provide the results of the study required by subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate no later than 180 days after the date of the enactment of this Act.

TITLE VI—RURAL INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Subtitle A—Improving Health Outcomes in Rural Communities

SEC. 6001. PRIORITIZING PROJECTS TO MEET HEALTH CRISES IN RURAL AMERICA.

(a) TEMPORARY PRIORITIZATION OF RURAL HEALTH ASSISTANCE.—Title VI of the Rural Development Act of 1972 (7 U.S.C. 2204a–2204b) is amended by adding at the end the following:

“SEC. 608. TEMPORARY PRIORITIZATION OF RURAL HEALTH ASSISTANCE.

“(a) AUTHORITY TO PRIORITIZE CERTAIN RURAL HEALTH APPLICATIONS.—The Secretary, after consultation with such public health officials as may be necessary, may announce a temporary reprioritization for certain rural development loan and grant applications to assist rural communities in responding to a specific health emergency.

“(b) CONTENT OF ANNOUNCEMENT.—In the announcement, the Secretary shall—

“(1) specify the nature of the emergency affecting the health of rural Americans;

“(2) describe the actual and potential effects of the emergency on the rural United States;

“(3) identify the services and treatments which can be used to reduce those effects; and

“(4) publish the specific temporary changes needed to assist rural communities in responding to the emergency

“(c) NOTICE.—Not later than 48 hours after making or extending an announcement under this section, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and transmit to the Secretary of Health and Human Services, a written notice of the declaration or extension.

“(d) EXTENSION.—The Secretary may extend an announcement under subsection (a) if the Secretary determines that the emergency will continue after the declaration would otherwise expire.

“(e) EXPIRATION.—An announcement under subsection (a) shall expire on the earlier of—

“(1) the date the Secretary determines that the emergency has ended; or

“(2) the end of the 360-day period beginning with the later of—

“(A) the date the announcement was made; or

“(B) the date the announcement was most recently extended.”

(b) DISTANCE LEARNING AND TELEMEDICINE.—Section 2333(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–2(c)) is amended by adding at the end the following:

“(5) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—

“(A) IN GENERAL.—While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, the Secretary shall make available not less than 10 percent of the amounts made available under section 2335A for financial assistance under this chapter, for telemedicine services to identify and treat individuals affected by the emergency, subject to subparagraph (B).

“(B) EXCEPTION.—In the case of a fiscal year for which the Secretary determines that there are not sufficient qualified applicants to receive financial assistance to reach the 10-percent requirement under subparagraph (A), the Secretary may make available less than 10 percent of the amounts made available under section 2335A for those services.”

(c) COMMUNITY FACILITIES DIRECT LOANS AND GRANTS.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

“(27) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—

“(A) SELECTION PRIORITY.—While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, in selecting recipients of loans, loan guarantees, or grants for the development of essential community facilities under this section, the Secretary shall give priority to entities eligible for those loans or grants—

“(i) to develop facilities to provide services related to reducing the effects of the health emergency, including—

- “(I) prevention services;
- “(II) treatment services;
- “(III) recovery services; or
- “(IV) any combination of those services; and
- “(ii) that employ staff that have appropriate expertise and training in how to identify and treat individuals affected by the emergency.
- “(B) USE OF FUNDS.—An eligible entity described in subparagraph (A) that receives a loan or grant described in that subparagraph may use the loan or grant funds for the development of telehealth facilities and systems to provide for treatment directly related to the emergency involved.”.
- (d) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—
 - (1) IN GENERAL.—Section 502(i) of the Rural Development Act of 1972 (7 U.S.C. 2662(i)) is amended—
 - (A) by redesignating paragraph (5) as paragraph (6); and
 - (B) by inserting after paragraph (4) the following:
 - “(5) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, in making grants under this subsection, the Secretary shall give priority to an applicant that will use the grant to address the announced emergency.”.
 - (2) TECHNICAL AMENDMENTS.—Title V of the Rural Development Act of 1972 (7 U.S.C. 2661 et seq.), as amended by paragraph (1) of this subsection, is amended—
 - (A) in section 502, in the matter preceding subsection (a), by inserting “(referred to in this title as the ‘Secretary’)” after “Agriculture”; and
 - (B) by striking “Secretary of Agriculture” each place it appears (other than in section 502 in the matter preceding subsection (a)) and inserting “Secretary”.

SEC. 6002. DISTANCE LEARNING AND TELEMEDICINE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking “\$75,000,000 for each of fiscal years 2014 through 2018” and inserting “\$82,000,000 for each of fiscal years 2019 through 2023”.

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking “2018” and inserting “2023”.

SEC. 6003. REAUTHORIZATION OF THE FARM AND RANCH STRESS ASSISTANCE NETWORK.

Section 7522 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5936) is amended—

- (1) in subsection (a), by striking “coordination with the Secretary of Health and Human Services, shall make competitive grants to support cooperative programs between State cooperative extension services and nonprofit organizations” and inserting “consultation with the Secretary of Health and Human Services, shall make competitive grants to State cooperative extension services and Indian Tribes to support programs with nonprofit organizations in order”;
- (2) in subsection (b)—
 - (A) in paragraph (1), by inserting “Internet” before “websites”;
 - (B) by striking paragraph (2) and inserting the following:
 - “(2) training for individuals who may assist farmers in crisis, including programs and workshops;”;
 - (C) in paragraph (4), by inserting “, including the dissemination of information and materials” before the semicolon at the end;
 - (3) in subsection (c), by striking “to enable the State cooperative extension services” and inserting “or Indian Tribes, as applicable;”;
 - (4) in subsection (d), by striking “fiscal years” and all that follows and inserting “fiscal years 2018 through 2023”; and
 - (5) by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following:
 - “(d) OVERSIGHT AND EVALUATION.—The Secretary, in consultation with the Secretary of Health and Human Services, shall review and evaluate the stress assistance programs carried out pursuant to this section.
 - “(1) PROGRAM REVIEW.—Not later than 2 years after the date on which a grant is first provided under this section, and annually thereafter, the Secretary shall—
 - “(A) review the programs funded under a grant made under this section to evaluate the effectiveness of the services offered through such a program, and suggest alternative services not offered by such a grant recipient that would be appropriate for behavioral health services; and

“(B) submit to the Congress, and make available on the public Internet website of the Department of Agriculture, a report containing the results of the review conducted under subparagraph (A) and a description of the services provided through programs funded under such a grant.

“(2) PUBLIC AVAILABILITY.—In making the report under paragraph (1) publicly available, the Secretary shall take such steps as may be necessary to ensure that the report does not contain any information that would identify any person who received services under a program funded under a grant made under this section.”

SEC. 6004. SUPPORTING AGRICULTURAL ASSOCIATION HEALTH PLANS.

(a) IN GENERAL.—The Secretary of Agriculture may establish a loan program and a grant program to assist in the establishment of agricultural association health plans, in order to help bring new health options and lower priced health care coverage to rural Americans.

(b) LOANS.—

(1) IN GENERAL.—With respect to plan years 2019 through 2022, the Secretary of Agriculture, in consultation with the Secretary of Labor, may make not more than 10 loans under this section, for purposes of establishing agricultural association health plans, to qualified agricultural associations that have not received a loan under this section.

(2) USE OF FUNDS.—The proceeds of a loan made under this section may only be used to finance costs associated with establishing and carrying out an agricultural association health plan.

(3) LOAN TERMS.—A loan made under this section shall—

(A) bear interest at an annual rate equivalent to the cost of borrowing to the Department of the Treasury for obligations of comparable maturities;

(B) have a term of such length, not exceeding 20 years, as the borrower may request;

(C) be in an amount not to exceed \$15,000,000;

(D) require that the borrower submit annual audited financial statements to the Secretary; and

(E) include any other requirements or documentation the Secretary deems necessary to carry out this section.

(c) GRANTS.—The Secretary may make grants to agricultural trade associations or industry associations which have been in existence for at least three years prior to applying for such a grant to provide for technical assistance in establishing an agricultural association health plan.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$65,000,000 for the period of fiscal years 2019 through 2022, to be available until expended.

(2) RESERVATION OF FUNDS.—Of the funds made available under paragraph (1), not more than 15 percent of such funds shall be made available to make grants under subsection (c).

(e) DEFINITIONS.—In this section:

(1) AGRICULTURAL ASSOCIATION HEALTH PLAN.—The term “agricultural association health plan” means a group health plan within the meaning of section 733(a)(1) of the Employee Retirement Income Security Act of 1974 (42 U.S.C. 1191b)—

(A) that is sponsored by a qualified agricultural association; and

(B) with respect to which the Secretary has received a letter from the relevant State insurance commissioner certifying that such association may offer such plan in such State.

(2) QUALIFIED AGRICULTURAL ASSOCIATION.—The term “qualified agricultural association” means an association—

(A) composed of members that operate a farm or ranch or operate an agribusiness;

(B) that qualifies as an association health plan within the meaning of guidance or regulation issued by the Department of Labor;

(C) that acts directly or indirectly in the interest of its members in relation to the plan;

(D) that is able to demonstrate an ability to implement and manage a group health plan; and

(E) that meets any other criteria the Secretary deems necessary to meet the intent of this section.

Subtitle B—Connecting Rural Americans to High Speed Broadband

SEC. 6101. ESTABLISHING FORWARD-LOOKING BROADBAND STANDARDS.

(a) IN GENERAL.—Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (d)(1)(A), by striking clause (i) and inserting the following:
 “(i) demonstrate the ability to furnish or improve service in order to meet the broadband service standards established under subsection (e)(1) in all or part of an unserved or underserved rural area;”;

(2) in subsection (e)—

(A) by striking paragraphs (1) and (2) and inserting the following:

“(1) IN GENERAL.—Subject to paragraph (2), for purposes of this section, the Secretary shall establish broadband service standards for rural areas which provide for—

“(A) a minimum acceptable standard of service that requires the speed to be at least 25 megabits per second downstream transmission capacity and 3 megabits per second upstream transmission capacity; and

“(B) projections of minimum acceptable standards of service for 5, 10, 15, 20, and 30 years into the future.

(2) ADJUSTMENTS.—

“(A) IN GENERAL.—At least once every 2 years, the Secretary shall review, and may adjust through notice published in the Federal Register, the broadband service standards in effect under paragraph (1) to encourage the delivery of high quality, cost-effective broadband service in rural areas.

“(B) CONSIDERATIONS.—In establishing and adjusting the broadband service standards in effect under paragraph (1), the Secretary shall consider—

“(i) the broadband service needs of rural families and businesses;

“(ii) broadband service available to urban and suburban areas;

“(iii) future technology needs of rural residents;

“(iv) advances in broadband technology; and

“(v) other relevant factors as determined by the Secretary.”; and

(B) by adding at the end the following:

“(4) AGREEMENT.—The Secretary shall not provide a loan or loan guarantee under this section for a project unless the Secretary determines, at the time the agreement to provide the loan or loan guarantee is entered into, that, at any time while the loan or loan guarantee is outstanding, the project will be capable of providing broadband service at not less than the minimum acceptable standard of service established under paragraph (1)(B) for that time.

“(5) SUBSTITUTE SERVICE STANDARDS FOR UNIQUE SERVICE TERRITORIES.—If an applicant shows that it would be cost prohibitive to meet the minimum acceptable level of broadband service established under paragraph (1)(B) for the entirety of a proposed service territory due to the unique characteristics of the proposed service territory, the Secretary and the applicant may agree to utilize substitute standards for any unserved portion of the project. Any substitute service standards should continue to consider the matters described in paragraph (2)(B) and reflect the best technology available to meet the needs of the residents in the unserved area.”; and

(3) in subsection (g)—

(A) in paragraph (2)(A), by striking “level of broadband service established under subsection (e)” and inserting “standard of service established under subsection (e)(1)(A)”;

(B) by adding at the end the following:

“(4) MINIMUM STANDARDS.—To the extent possible, the terms and conditions under which a loan or loan guarantee is provided to an applicant for a project shall require that, at any time while the loan or loan guarantee is outstanding, the broadband network provided by the project will meet the lower of—

“(A) the minimum acceptable standard of service projected under subsection (e)(1)(B) for that time, as agreed to by the applicant at the time the loan or loan guarantee is provided; or

“(B) the minimum acceptable standard of service in effect under subsection (e)(1)(A) for that time.”.

(b) REPORT TO CONGRESS.—Within 12 months after the date of the enactment of this Act, the Administrator of the Rural Utilities Service (in this subsection referred to as the “RUS”) shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a written report on the effectiveness of RUS loan and loan guarantee programs

for the purpose of expanding broadband to rural areas (as defined in RUS regulations), which shall—

- (1) identify administrative and legislative options for incentivizing private investment by utilizing RUS loan guarantee programs for the purpose of expanding broadband to rural areas;
- (2) evaluate the existing borrower and lending guidelines for RUS loan and loan guarantee applicants to incentivize participation in both programs;
- (3) evaluate the loan and loan guarantee application processes for lenders and borrowers by eliminating burdensome and unnecessary steps in the application process and providing a more streamlined process to decrease the complexity of the application and the timeline from application to approval or denial;
- (4) identify opportunities to provide technical assistance and pre-development planning activities to assist rural counties and communities to assess current and future broadband needs; and
- (5) identify and evaluate emerging technologies, including next-generation satellite technologies, and ways to leverage the technologies to provide high-speed, low-latency internet connectivity to rural areas.

SEC. 6102. INCENTIVES FOR HARD TO REACH COMMUNITIES.

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended by adding at the end the following:

“SEC. 604. INCENTIVES FOR HARD TO REACH COMMUNITIES.

“(a) DEFINITIONS.—In this section:

“(1) ASSOCIATED LOAN.—The term ‘associated loan’ means a loan or loan guarantee to finance all or part of a project under title I or II or this title for which an application has been submitted under such title and for which an application has also been submitted for a grant under this section.

“(2) DENSITY.—

“(A) IN GENERAL.—The term ‘density’ means service points per road mile.

“(B) METHOD OF CALCULATION.—The Secretary shall further define, by rule, a method for calculating service points per road-mile, where appropriate by geography, which—

“(i) divides the total number of service points by the total number of road-miles in a proposed service territory;

“(ii) requires an applicant to count all potential service points in a proposed service territory; and

“(iii) includes any other requirements the Secretary deems necessary to protect the integrity of the program.

“(3) ELIGIBLE PROJECT.—The term ‘eligible project’ means any project for which the applicant—

“(A) has submitted an application for an associated loan; and

“(B) does not receive any other broadband grant administered by the Rural Utilities Service; and

“(C) proposes to—

“(i) offer retail broadband service to rural households;

“(ii) serve an area with a density of less than 12;

“(iii) provide service that meets the standard that would apply under section 601(e)(4) if the associated loan had been applied for under section 601;

“(iv) provide service in an area where no incumbent provider delivers fixed terrestrial broadband service at or above the minimum broadband speed described in section 601(e)(1); and

“(v) provide service in an area where no eligible borrower, other than the applicant, has outstanding Rural Utilities Service telecommunications debt or is subject to a current Rural Utilities Service telecommunications grant agreement.

“(4) SERVICE POINT.—The term ‘service point’ means a home, business, or institution in a proposed service area.

“(5) ROAD-MILE.—The term ‘road-mile’ means a mile of road in a proposed service area.

“(b) ESTABLISHMENT OF GRANT PROGRAM.—The Secretary shall establish a competitive grant program to provide applicants funds to carry out eligible projects for the purposes of construction, improvement, or acquisition of facilities for the provision of broadband service in rural areas.

“(c) APPLICATIONS.—The Secretary shall establish an application process for grants under this section that—

“(1) has 1 application window per year;

“(2) permits a single application for the grant and the associated loan; and

“(3) provides a single decision to award the grant and the associated loan.

“(d) PRIORITY.—In making grants under this section, the Secretary shall prioritize applications in which the applicant proposes to—

“(1) provide the highest quality of service as measured by—

- “(A) network speed;
- “(B) network latency; and
- “(C) data allowances;

“(2) serve the greatest number of service points; and

“(3) use the greatest proportion of non-Federal dollars.

“(e) AMOUNT.—The Secretary shall make each grant under this section in an amount that is—

“(1) not greater than 75 percent of the total project cost with respect to an area with a density of less than 4;

“(2) not greater than 50 percent of the total project cost with respect to an area with a density of 4 or more and not more than 9; and

“(3) not greater than 25 percent of the total project cost with respect to an area with a density of more than 9 and not more than 12.

“(f) TERMS AND CONDITIONS.—With respect to a grant provided under this section, the Secretary shall require that—

“(1) the associated loan is secured by the assets purchased with funding from the grant and from the loan;

“(2) the agreement in which the terms of the grant are established is for a period equal to the duration of the associated loan; and

“(3) at any time at which the associated loan is outstanding, the broadband service provided by the project will meet the lower of the standards that would apply under section 601(g)(4) if the associated loan had been made under section 601.

“(g) PAYMENT ASSISTANCE FOR CERTAIN APPLICANTS UNDER THIS TITLE.—

“(1) IN GENERAL.—As part of the grant program under this section, the Secretary, at the sole discretion of the Secretary, may provide to applicants who are eligible borrowers under this title and not eligible borrowers under title I or II all or a portion of the grant funds in the form of payment assistance.

“(2) PAYMENT ASSISTANCE.—The Secretary may provide payment assistance under paragraph (1) by reducing a borrower’s interest rate or periodic principal payments or both.

“(3) AGREEMENT ON MILESTONES AND OBJECTIVES.—With respect to payment assistance provided under paragraph (1), before entering into the agreement for the grant and associated loan under which the payment assistance will be provided, the applicant and the Secretary shall agree to milestones and objectives of the project.

“(4) CONDITION.—The Secretary shall condition any payment assistance provided under paragraph (1) on—

“(A) the applicant fulfilling the terms and conditions of the grant agreement under which the payment assistance will be provided; and

“(B) completion of the milestones and objectives agreed to under paragraph (3).

“(5) AMENDMENT OF MILESTONES AND OBJECTIVES.—The Secretary and the applicant may jointly agree to amend the milestones and objectives agreed to under paragraph (3).

“(h) EXISTING PROJECTS.—The Secretary may not provide a grant under this section to an applicant for a project that was commenced before the date of the enactment of this section.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$350,000,000 for each of fiscal years 2019 to 2023.”.

SEC. 6103. REQUIRING GUARANTEED BROADBAND LENDING.

Section 601(c)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 950b(c)(1)) is amended by striking “shall make or guarantee loans” and inserting “shall make loans and shall guarantee loans”.

SEC. 6104. SMART UTILITY AUTHORITY FOR BROADBAND.

(a) Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

“(e)(1) Except as provided in paragraph (2), the Secretary may allow a recipient of a grant, loan, or loan guarantee provided by the Office of Rural Development under this title to use not more than 10 percent of the amount so provided—

“(A) for any activity for which assistance may be provided under section 601 of the Rural Electrification Act of 1936; or

“(B) to construct other broadband infrastructure.

“(2) Paragraph (1) of this subsection shall not apply to a recipient who is seeking to provide retail broadband service in any area where retail broadband service is

available at the minimum broadband speeds, as defined under section 601(e) of the Rural Electrification Act of 1936.”

(b) Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901–918a) is amended by inserting after section 7 the following:

“SEC. 8. LIMITATIONS ON USE OF ASSISTANCE.

“(a) Subject to subsections (b) and (c) of this section, the Secretary may allow a recipient of a grant, loan, or loan guarantee under this title to set aside not more than 10 percent of the amount so received to provide retail broadband service.

“(b) A recipient who sets aside funds under subsection (a) of this section may use the funds only in an area that is not being provided with the minimum acceptable level of broadband service established under section 601(e), unless the recipient meets the requirements of section 601(d).

“(c) Nothing in this section shall be construed to limit the ability of any borrower to finance or deploy services authorized under this title.”.

SEC. 6105. MODIFICATIONS TO THE RURAL GIGABIT PROGRAM.

Section 603 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb–2) is amended—

(1) in the section heading, by striking “**RURAL GIGABIT NETWORK PILOT**” and inserting “**INNOVATIVE BROADBAND ADVANCEMENT**”;

(2) in subsection (d), by striking “2014 through 2018” and inserting “2019 through 2023”;

(3) by redesignating subsection (d) as subsection (e); and

(4) by striking subsections (a) through (c) and inserting the following:

“(a) **IN GENERAL.**—The Secretary shall establish a program to be known as the ‘Innovative Broadband Advancement Program’, under which the Secretary may provide a grant, a loan, or both to an eligible entity for the purpose of demonstrating innovative broadband technologies or methods of broadband deployment that significantly decrease the cost of broadband deployment, and provide substantially faster broadband speeds than are available, in a rural area.

“(b) **RURAL AREA.**—In this section, the term ‘rural area’ has the meaning provided in section 601(b)(3).

“(c) **ELIGIBILITY.**—To be eligible to obtain assistance under this section for a project, an entity shall—

“(1) submit to the Secretary an application—

“(A) that describes a project designed to decrease the cost of broadband deployment, and substantially increase broadband speed to not less than the 20-year broadband speed established by the Rural Utilities Service under this title, in a rural area to be served by the project; and

“(B) at such time, in such manner, and containing such other information as the Secretary may require;

“(2) demonstrate that the entity is able to carry out the project; and

“(3) agree to complete the project build-out within 5 years after the date the assistance is first provided for the project.

“(d) **PRIORITIZATION.**—In awarding assistance under this section, the Secretary shall give priority to proposals for projects that—

“(1) involve partnerships between or among multiple entities;

“(2) would provide broadband service to the greatest number of rural residents at or above the minimum broadband speed referred to in subsection (c)(1)(A); and

“(3) the Secretary determines could be replicated in rural areas described in paragraph (2).”.

SEC. 6106. UNIFIED BROADBAND REPORTING REQUIREMENTS.

Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (j)—

(A) in the matter preceding paragraph (1), by striking “Not later than” and all that follows through “section” and inserting “Each year, the Secretary shall submit to the Congress a report that describes the extent of participation in the broadband loan, loan guarantee, and grant programs administered by the Secretary”;

(B) in paragraph (1), by striking “loans applied for and provided under this section” and inserting “loans, loan guarantees, and grants applied for and provided under the programs”;

(C) in paragraph (2)—

(i) in subparagraph (A), by striking “loan”; and

(ii) in subparagraph (B), by striking “loans and loan guarantees provided under this section” and inserting “loans, loan guarantees, and grants provided under the programs”;

(D) in paragraph (3), by striking “loan application under this section” and inserting “application under the programs”;

(E) in each of paragraphs (4) and (6), by striking “this section” and inserting “the programs”; and

(F) in paragraph (5)—

(i) by striking “service” and inserting “technology”; and

(ii) by striking “(b)(1)” and inserting “(e)(1)”; and

(2) in subsection (k)(2), in each of subparagraphs (A)(i) and (C), by striking “loans” and inserting “grants, loans,”.

SEC. 6107. IMPROVING ACCESS BY PROVIDING CERTAINTY TO BROADBAND BORROWERS.

(a) TELEPHONE LOAN PROGRAM.—Title II of the Rural Electrification Act of 1936 (7 U.S.C. 922–928) is amended by adding at the end the following:

“SEC. 208. AUTHORITY TO OBLIGATE, BUT NOT DISBURSE, FUNDS BEFORE THE COMPLETION OF REVIEWS.

“(a) IN GENERAL.—The Secretary may obligate, but shall not disburse, funds under this title for a project before the completion of any otherwise required environmental, historical, or other review of the project.

“(b) AUTHORITY TO DEOBLIGATE FUNDS.—The Secretary may deobligate funds under this title for a project if any such review will not be completed within a reasonable period of time.”.

(b) RURAL BROADBAND PROGRAM.—Section 601(d) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(d)) is amended by adding at the end the following:

“(11) AUTHORITY TO OBLIGATE, BUT NOT DISBURSE, FUNDS BEFORE COMPLETION OF REVIEWS; AUTHORITY TO DEOBLIGATE FUNDS.—The Secretary may obligate, but shall not disburse, funds under this section for a project before the completion of any otherwise required environmental, historical, or other review of the project. The Secretary may deobligate funds under this section for a project if any such review will not be completed within a reasonable period of time.”.

SEC. 6108. SIMPLIFIED APPLICATION WINDOW.

Section 601(c)(2)(A) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(c)(2)(A)) is amended by striking “not less than 2 evaluation periods” and inserting “1 evaluation period”.

SEC. 6109. ELIMINATION OF REQUIREMENT TO GIVE PRIORITY TO CERTAIN APPLICANTS.

Section 601(c)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(c)(2)) is amended—

(1) by striking “; and” at the end of subparagraph (C) and inserting a period; and

(2) by striking subparagraph (D).

SEC. 6110. MODIFICATION OF BUILDOUT REQUIREMENT.

Section 601(d)(1)(A)(iii) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(d)(1)(A)(iii)) is amended—

(1) by striking “service” and inserting “infrastructure”; and

(2) by striking “3” and inserting “5”.

SEC. 6111. IMPROVING BORROWER REFINANCING OPTIONS.

(a) REFINANCING OF BROADBAND LOANS.—Section 201 of the Rural Electrification Act of 1936 (7 U.S.C. 922) is amended by inserting “including indebtedness on a loan made under section 601” after “furnishing telephone service in rural areas”.

(b) REFINANCING OF OTHER LOANS.—Section 601(i) of such Act (7 U.S.C. 950bb(i)) is amended by inserting “, or on any other loan if the purpose for which such other loan was made is a telecommunications purpose for which assistance may be provided under this Act,” before “if the use of”.

SEC. 6112. ELIMINATION OF UNNECESSARY REPORTING REQUIREMENTS.

Section 601(d)(8)(A)(ii) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(d)(8)(A)(ii)) is amended—

(1) in subclause (I), by striking “and location”; and

(2) in subclause (IV), by striking “any changes in broadband service adoption rates, including”.

SEC. 6113. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (k), by striking paragraph (1) and inserting the following:

“(1) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For loans and loan guarantees under this section, there is authorized to be appropriated to the Secretary \$150,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.”; and

(2) in subsection (l), by striking “2018” and inserting “2023”.

SEC. 6114. MIDDLE MILE BROADBAND INFRASTRUCTURE.

Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (a), by inserting “or middle mile infrastructure” before “in rural areas”;

(2) in subsection (b), by redesignating paragraphs (2) and (3) as paragraphs (3) and (4) and inserting after paragraph (1) the following:

“(2) MIDDLE MILE INFRASTRUCTURE.—The term ‘middle mile infrastructure’ means any broadband infrastructure that does not connect directly to end user locations (including anchor institutions) and may include interoffice transport, backhaul, Internet connectivity, data centers, or special access transport to rural areas.”;

(3) in subsection (c)—

(A) in paragraph (1), by inserting “and to construct, improve, or acquire middle mile infrastructure” before “in rural areas”;

(B) in paragraph (2)(B), by inserting “, or in the case of middle mile infrastructure, offer the future ability to link,” before “the greatest proportion”;

and

(C) by adding at the end the following:

“(3) LIMITATION ON MIDDLE MILE INFRASTRUCTURE PROJECTS.—The Secretary shall limit loans or loan guarantees for middle mile infrastructure projects to no more than 20 percent of the amounts made available to carry out this section.”;

(4) in subsection (d)—

(A) in paragraph (1)(A)—

(i) in clause (i) (as amended by section 6101(1) of this Act), by inserting “or extend middle mile infrastructure” before “in all”; and

(ii) in clause (iii), by inserting “or middle mile infrastructure” before “described”;

(B) in paragraph (2)—

(i) in subparagraph (B), by inserting “or install middle mile infrastructure” before “in the proposed”;

(ii) in subparagraph (C), by striking clause (ii) and inserting the following:

“(ii) EXCEPTION.—Clause (i) shall not apply with respect to a project if the project is eligible for funding under another title of this Act.”; and

(iii) by adding at the end the following:

“(D) EXCEPTION FOR MIDDLE MILE INFRASTRUCTURE.—Portions of a middle mile infrastructure project that ultimately meet the rural service requirements of this section may traverse an area not described in subsection (b)(4) when necessary.”;

(C) in paragraph (4), by inserting “, or construct, improve, or acquire middle mile infrastructure in,” before “a rural area”;

(D) in paragraph (5)(A)(v), by inserting “or, in the case of middle mile infrastructure, connect” before the semicolon; and

(E) in paragraph (8)(A)(ii)—

(i) in subclause (I), by inserting “or may” before “receive”;

(ii) in subclause (II), by inserting “or capability of middle mile infrastructure” before the semicolon; and

(iii) in subclause (III), by inserting “, if applicable” before the semicolon;

(5) in subsection (i)—

(A) in the subsection heading, by inserting “OR MIDDLE MILE INFRASTRUCTURE” after “SERVICE”; and

(B) by inserting “or middle mile infrastructure” before “in rural areas”;

and

(6) in subsection (j)(6), by inserting “or middle mile infrastructure” after “service” the 1st and 3rd places it appears.

SEC. 6115. OUTDATED BROADBAND SYSTEMS.

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

“SEC. 605. OUTDATED BROADBAND SYSTEMS.

“Beginning October 1, 2020, the Secretary shall consider any portion of a service territory subject to an outstanding grant agreement between the Secretary and a broadband provider in which broadband service is not provided at at least 10 megabits per second download and at least 1 megabit per second upload as unserved for the purposes of all broadband loan programs under this Act, unless the broadband

provider has constructed or begun to construct broadband facilities in the service territory that meet the minimum acceptable standard of service established under section 601(e)(1) for the area in which the service territory is located.”.

SEC. 6116. EFFECTIVE DATE.

(a) **IN GENERAL.**—The amendments made by this subtitle shall not take effect until the Secretary of Agriculture has issued final regulations to implement the amendments.

(b) **DEADLINE FOR ISSUING REGULATIONS.**—Within 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall prescribe final regulations to implement the amendments made by sections 6101 and 6102.

Subtitle C—Consolidated Farm and Rural Development Act

SEC. 6201. STRENGTHENING REGIONAL ECONOMIC DEVELOPMENT INCENTIVES.

Section 379H of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008v) is amended to read as follows:

“SEC. 379H. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.

“(a) **IN GENERAL.**—In the case of any program as determined by the Secretary, the Secretary shall give priority to an application for a project that, as determined and approved by the Secretary—

“(1) meets the applicable eligibility requirements of this title or other applicable authorizing law;

“(2) will be carried out in a rural area; and

“(3) supports the implementation of a strategic community investment plan described in subsection (d) on a multisectoral and multijurisdictional basis.

“(b) RESERVE.—

“(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall reserve a portion of the funds made available for a fiscal year for programs as determined by the Secretary, for projects that support the implementation of a strategic community investment plan described in subsection (d) on a multisectoral and multijurisdictional basis.

“(2) **PERIOD.**—The reservation of funds described in paragraph (1) may only extend through a date of the fiscal year in which the funds were first made available, as determined by the Secretary.

“(c) APPROVED APPLICATIONS.—

“(1) **IN GENERAL.**—Any applicant who submitted a funding application that was approved before the date of enactment of this section may amend the application to qualify for the funds reserved under subsection (b).

“(2) **RURAL UTILITIES.**—Any rural development application authorized under section 306(a)(2), 306(a)(14), 306(a)(24), 306A, or 310B(b) and approved by the Secretary before the date of enactment of this section shall be eligible for the funds reserved under subsection (b) on the same basis as the applications submitted under this section, until September 30, 2019.

“(d) STRATEGIC COMMUNITY INVESTMENT PLANS.—

“(1) **IN GENERAL.**—The Secretary shall provide assistance to rural communities for developing strategic community investment plans.

“(2) **PLANS.**—A strategic community investment plan described in paragraph (1) shall include—

“(A) a variety of activities designed to facilitate a rural community’s vision for its future;

“(B) participation by multiple stakeholders, including local and regional partners;

“(C) leverage of applicable regional resources;

“(D) investment from strategic partners, such as—

“(i) private organizations;

“(ii) cooperatives;

“(iii) other government entities;

“(iv) tribes; and

“(v) philanthropic organizations;

“(E) clear objectives with the ability to establish measurable performance metrics;

“(F) action steps for implementation; and

“(G) any other elements necessary to ensure that the plan results in a comprehensive and strategic approach to rural economic development, as determined by the Secretary.

“(3) COORDINATION.—The Secretary shall coordinate with tribes and local, State, regional, and Federal partners to develop strategic community investment plans under this subsection.

“(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—There is authorized to be appropriated \$5,000,000 for fiscal years 2018 through 2023 to carry out this subsection.

“(B) AVAILABILITY.—The amounts made available to carry out this subsection are authorized to remain available until expended.”.

SEC. 6202. EXPANDING ACCESS TO CREDIT FOR RURAL COMMUNITIES.

(a) CERTAIN PROGRAMS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) is amended—

(1) in subparagraph (B)—

(A) in the heading, by striking “AND GUARANTEED”; and

(B) in the text—

(i) by striking “and guaranteed”; and

(ii) by striking “(1), (2), and (24)” and inserting “(1) and (2)”; and

(2) in subparagraph (C)—

(A) by striking “and guaranteed”; and

(B) by striking “(21), and (24)” and inserting “and (21)”.

(b) RURAL BROADBAND PROGRAM.—Paragraph (4)(A)(ii) of section 601(b) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(b)), as redesignated by section 6114(2), is amended by inserting “in the case of a direct loan,” before “a city”.

SEC. 6203. PROVIDING FOR ADDITIONAL FEES FOR GUARANTEED LOANS.

(a) CERTAIN PROGRAMS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended—

(1) by striking “and” at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting “; and”; and

(3) by adding at the end the following:

“(7) in the case of an insured or guaranteed loan issued or modified under section 306(a), charge and collect from the recipient of the insured or guaranteed loan fees in such amounts as are necessary so that the sum of the total amount of fees so charged in each fiscal year and the total of the amounts appropriated for all such insured or guaranteed loans for the fiscal year equals the subsidy cost for the insured or guaranteed loans in the fiscal year.”.

(b) RURAL BROADBAND PROGRAM.—Section 601(c) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(c)), as amended by section 6114, is further amended by adding at the end the following:

“(4) FEES.—In the case of a loan guarantee issued or modified under this section, the Secretary shall charge and collect from the recipient of the guarantee fees in such amounts as are necessary so that the sum of the total amount of fees so charged in each fiscal year and the total of the amounts appropriated for all such loan guarantees for the fiscal year equals the subsidy cost for the loan guarantees in the fiscal year.”.

SEC. 6204. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.

Section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)) is amended—

(1) in clause (iii), by striking “\$100,000” each place it appears and inserting “\$200,000”; and

(2) in clause (vii), by striking “\$30,000,000 for each of fiscal years 2008 through 2018” and inserting “\$15,000,000 for each of fiscal years 2019 through 2023”.

SEC. 6205. RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.

(a) Section 306(a)(14)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(14)(A)) is amended—

(1) by striking “and” at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting “; and”; and

(3) by adding at the end the following:

“(iv) identify options to enhance long term sustainability of rural water and waste systems to include operational practices, revenue enhancements, policy revisions, partnerships, consolidation, regionalization, or contract services.”.

(b) Section 306(a)(14)(C) of such Act (7 U.S.C. 1926(a)(14)(C)) is amended by striking “1 nor more than 3” and inserting “3 nor more than 5”.

SEC. 6206. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a)(22)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)(B)) is amended by striking “\$20,000,000 for fiscal year 2014” and inserting “\$25,000,000 for fiscal year 2018”.

SEC. 6207. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(25)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is amended by striking “\$10,000,000 for each of fiscal years 2008 through 2018” and inserting “\$5,000,000 for each of fiscal years 2019 through 2023”.

SEC. 6208. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended—

(1) in paragraph (1), by striking subparagraph (B) and inserting the following:

“(B) RELEASE.—

“(i) IN GENERAL.—Except as provided in clause (ii), funds reserved under subparagraph (A) for a fiscal year shall be reserved only until July 1 of the fiscal year.

“(ii) EXCEPTION.—In response to an eligible community where the drinking water supplies are inadequate due to a natural disaster, as determined by the Secretary, including drought or severe weather, the Secretary may provide potable water under this section for an additional period not to exceed 120 days beyond the established period otherwise provided under this section, in order to protect public health.”; and

(2) in paragraph (2), by striking “\$35,000,000 for each of fiscal years 2008 through 2018” and inserting “\$27,000,000 for each of fiscal years 2019 through 2023”.

SEC. 6209. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 6210. HOUSEHOLD WATER WELL SYSTEMS.

Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking “2018” and inserting “2023”.

SEC. 6211. SOLID WASTE MANAGEMENT GRANTS.

Section 310B(b)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 6212. RURAL BUSINESS DEVELOPMENT GRANTS.

Section 310B(c)(4)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c)(4)(A)) is amended by striking “2018” and inserting “2023”.

SEC. 6213. RURAL COOPERATIVE DEVELOPMENT GRANTS.

(a) IN GENERAL.—Section 310B(e)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(13)) is amended by striking “2018” and inserting “2023”.

(b) TECHNICAL CORRECTION.—Section 310B(e)(11)(B)(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(11)(B)(i)) is amended by striking “(12)” and inserting “(13)”.

SEC. 6214. LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.

Section 310B(g)(9)(B)(iv)(I) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(9)(B)(iv)(I)) is amended by striking “2018” and inserting “2023”.

SEC. 6215. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.

Section 310B(i)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(i)(4)) is amended by striking “2018” and inserting “2023”.

SEC. 6216. RURAL ECONOMIC AREA PARTNERSHIP ZONES.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking “2018” and inserting “2023”.

SEC. 6217. INTERMEDIARY RELENDING PROGRAM.

Section 310H(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936b(e)) is amended by striking “\$25,000,000 for each of fiscal years 2014 through 2018” and inserting “\$10,000,000 for each of fiscal years 2019 through 2023”.

SEC. 6218. EXCLUSION OF PRISON POPULATIONS FROM DEFINITION OF RURAL AREA.

Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) is amended—

(1) in subparagraph (A), by striking “(G)” and inserting “(H)”;

(2) by adding at the end the following:

“(H) EXCLUSION OF POPULATIONS INCARCERATED ON A LONG-TERM BASIS.—Populations of individuals incarcerated on a long-term or regional basis shall not be included in determining whether an area is ‘rural’ or a ‘rural area’.”.

SEC. 6219. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Section 378 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m) is amended—

(1) in subsection (g)(1), by striking “2018” and inserting “2023”; and

(2) in subsection (h), by striking “2018” and inserting “2023”.

SEC. 6220. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking “2018” and inserting “2023”.

SEC. 6221. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.

Section 379E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s(d)) is amended to read as follows:

“(d) FUNDING.—There are authorized to be appropriated to carry out this section \$4,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 6222. HEALTH CARE SERVICES.

Section 379G(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008u(e)) is amended by striking “2018” and inserting “2023”.

SEC. 6223. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking “2008 through 2018” and inserting “2019 through 2023”.

(b) TERMINATION OF AUTHORITY.—Section 382N of such Act (7 U.S.C. 2009aa–13) is amended by striking “2018” and inserting “2023”.

SEC. 6224. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–12(a)) is amended by striking “\$30,000,000 for each of fiscal years 2008 through 2018” and inserting “\$2,000,000 for each of fiscal years 2019 through 2023”.

(b) TERMINATION OF AUTHORITY.—Section 383O of such Act (7 U.S.C. 2009bb–13) is amended by striking “2018” and inserting “2023”.

SEC. 6225. RURAL BUSINESS INVESTMENT PROGRAM.

Section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–18) is amended by striking “2018” and inserting “2023”.

Subtitle D—Rural Electrification Act of 1936

SEC. 6301. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1(f)) is amended by striking “2018” and inserting “2023”.

SEC. 6302. EXPANSION OF 911 ACCESS.

Section 315(d) of the Rural Electrification Act of 1936 (7 U.S.C. 940e(d)) is amended by striking “2018” and inserting “2023”.

SEC. 6303. IMPROVEMENTS TO THE GUARANTEED UNDERWRITER PROGRAM.

(a) Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) GUARANTEES.—

“(1) IN GENERAL.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis, if the proceeds of the bonds or notes are used to make utility infrastructure loans, or refinance bonds or notes issued for such purposes, to a borrower that has at any time received, or is eligible to receive, a loan under this Act.

“(2) TERMS.—A bond or note guaranteed under this section shall—

“(A) have a term of 35 years; and

“(B) by agreement between the Secretary and the borrower, be repaid by the borrower by—

“(i) periodic installments of principal and interest;

“(ii) periodic installments of interest and, at the end of the term of the bond or note, by the repayment of the outstanding principal; or

“(iii) a combination of the methods for repayment provided under clauses (i) and (ii).”; and

(2) in subsection (b)—

(A) in paragraph (1), by striking “for eligible electrification or telephone purposes consistent with this Act” and inserting “to borrowers described in subsection (a)”; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking “for electrification or telephone purposes” and inserting “to borrowers under this Act”; and

(ii) in subparagraph (C), by striking “for eligible purposes described in subsection (a)” and inserting “to borrowers described in subsection (a)”.

(b)(1) The Secretary shall carry out section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1), including the amendments made by this section, under a Notice of Solicitation of Applications until all regulations necessary to carry out the amendments made by this section are fully implemented.

(2) Paragraph (1) shall take effect on the date of the enactment of this Act.

SEC. 6304. EXTENSION OF THE RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.

(a) Section 12(b)(3)(D) of the Rural Electrification Act of 1936 (7 U.S.C. 912(b)(3)(D)) is amended by striking “313(b)(2)(A)” and inserting “313(b)(2)”.

(b) Section 313(b)(2) of such Act (7 U.S.C. 940c(b)(2)) is amended—

(1) by striking all that precedes “shall maintain” and inserting the following:

“(2) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—The Secretary”; and

(2) by striking subparagraphs (B) through (E).

(c) Title III of such Act (7 U.S.C. 931-940h) is amended by inserting after section 313A the following:

“SEC. 313B. RURAL DEVELOPMENT LOANS AND GRANTS.

“(a) IN GENERAL.—The Secretary shall provide grants or zero interest loans to borrowers under this Act for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects, and other reasonable expenses for the purpose of fostering rural development.

“(b) REPAYMENTS.—In the case of zero interest loans, the Secretary shall establish such reasonable repayment terms as will encourage borrower participation.

“(c) PROCEEDS.—All proceeds from the repayment of such loans made under this section shall be returned to the subaccount that the Secretary shall maintain in accordance with sections 313(b)(2) and 313B(f).

“(d) NUMBER OF GRANTS.—Loans and grants required under this section shall be made during each fiscal year to the full extent of the amounts made available under subsection (e).

“(e) FUNDING.—

“(1) DISCRETIONARY FUNDING.—In addition to other funds that are available to carry out this section, there is authorized to be appropriated not more than \$10,000,000 for each of fiscal years 2019 through 2023 to carry out this section, to remain available until expended.

“(2) OTHER FUNDS.—In addition to the funds described in paragraph (1), the Secretary shall use to provide grants and loans under this section—

“(A) the interest differential sums credited to the subaccount described in subsection (c); and

“(B) subject to section 313A(e)(2), the fees described in subsection (c)(4) of such section.

“(f) MAINTENANCE OF ACCOUNT.—The Secretary shall maintain the subaccount described in section 313(b)(2), as in effect in fiscal year 2017, for purposes of carrying out this section.”.

(d) Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1) is amended—

(1) in subsection (c)(4)—

(A) in subparagraph (A), by striking “maintained under section 313(b)(2)(A)” and inserting “that shall be maintained as required by sections 313(b)(2) and 313B(f)”; and

(B) in subparagraph (B), by striking “313(b)(2)(B)” and inserting “313(b)(2)”; and

- (2) in subsection (e)(2), by striking “ maintained under section 313(b)(2)(A)” and inserting “required to be maintained by sections 313(b)(2) and 313B(f)”.
- (e)(1) Subject to section 313B(e) of the Rural Electrification Act of 1936 (as added by this section), the Secretary of Agriculture shall carry out the loan and grant program required under such section in the same manner as the loan and grant program under section 313(b)(2) of such Act is carried out on the day before the date of the enactment of this Act, until such time as any regulations necessary to carry out the amendments made by this section are fully implemented.
- (2) Paragraph (1) shall take effect on the date of the enactment of this Act.

Subtitle E—Farm Security and Rural Investment Act of 2002

SEC. 6401. RURAL ENERGY SAVINGS PROGRAM.

Section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a) is amended—

- (1) in subsection (c)—
- (A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively;
- (B) by inserting after paragraph (3) the following:
- “(4) ELIGIBILITY FOR OTHER LOANS.—The Secretary shall not include any debt incurred under this section in the calculation of a borrower’s debt-equity ratio for purposes of eligibility for loans made pursuant to the Rural Electrification Act of 1936 (7 U.S.C. 901 et. seq.)”; and
- (C) by adding at the end the following:
- “(9) ACCOUNTING.—The Secretary shall take appropriate steps to streamline the accounting requirements imposed on borrowers under this section while maintaining adequate assurances of repayment of the loan.”;
- (2) in subsection (d)(1)(A), by striking “3 percent” and inserting “5 percent”;
- (3) by redesignating subsection (h) as subsection (i);
- (4) by inserting after subsection (g) the following:
- “(h) REPORT TO CONGRESS.—Not later than 120 days after the end of each fiscal year, the Secretary shall submit to the Committees on Agriculture and Appropriations of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry and Appropriations of the Senate a report that describes—
- “(1) the number of applications received under this section in such fiscal year;
- “(2) the number of loans made to eligible entities under this section in such fiscal year; and
- “(3) the recipients of such loans.”; and
- (5) in subsection (i), as so redesignated, by striking “2018” and inserting “2023”.

SEC. 6402. BIOBASED MARKETS PROGRAM.

Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

- (1) by amending subsection (i) to read as follows:
- “(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2014 through 2023.”; and
- (2) by adding at the end the following:
- “(k) WOOD AND WOOD-BASED PRODUCTS.—Notwithstanding any other provision of law, a Federal agency may not place limitations on the procurement of wood and wood-based products that are more limiting than those in this section.”.

SEC. 6403. BIOREFINERY, RENEWABLE, CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING ASSISTANCE.

Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—

- (1) in subsection (b)(3)(A), by striking “and” at the end and inserting “or”; and
- (2) by amending subsection (g) to read as follows:
- “(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2014 through 2023.”.

SEC. 6404. REPOWERING ASSISTANCE PROGRAM.

Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)) is amended to read as follows:

- “(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2014 through 2023.”.

SEC. 6405. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.

Section 9005 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105) is amended—

(1) in subsection (e)—

(A) by striking “The Secretary may” and inserting the following new paragraph:

“(1) AMOUNT.—The Secretary shall”; and

(B) by adding at the end the following new paragraph:

“(2) FEEDSTOCK.—The total amount of payments made in a fiscal year under this section to one or more eligible producers for the production of advanced biofuels derived from a single eligible commodity shall not exceed one-third of the total amount of funds made available under subsection (g).”; and

(2) in subsection (g)—

(A) by striking paragraphs (1) and (2) and inserting the following new paragraph:

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2019 through 2023.”; and

(B) by redesignating paragraph (3) as paragraph (2).

SEC. 6406. BIODIESEL FUEL EDUCATION PROGRAM.

Section 9006(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is amended to read as follows:

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 6407. RURAL ENERGY FOR AMERICA PROGRAM.

Section 9007(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is amended—

(1) in paragraph (1)(E), by striking “for fiscal year 2014 and each fiscal year thereafter” and inserting “for each of the fiscal years 2014 through 2018”; and

(2) in paragraph (3), by striking “2018” and inserting “2023”.

SEC. 6408. CATEGORICAL EXCLUSION FOR GRANTS AND FINANCIAL ASSISTANCE MADE UNDER THE RURAL ENERGY FOR AMERICA PROGRAM.

Section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) is amended by adding at the end the following:

“(h) CATEGORICAL EXCLUSION.—The provision of a grant or financial assistance under this section to any electric generating facility, including one fueled with wind, solar, or biomass, that has a rating of 10 average megawatts or less is a category of actions hereby designated as being categorically excluded from any requirement to prepare an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).”.

SEC. 6409. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.

Section 9009 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8109) is repealed.

SEC. 6410. FEEDSTOCK FLEXIBILITY.

Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended—

(1) in paragraph (1)(A), by striking “2018” and inserting “2023”; and

(2) in paragraph (2)(A), by striking “2018” and inserting “2023”.

SEC. 6411. BIOMASS CROP ASSISTANCE PROGRAM.

Section 9011(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111(f)) is amended by striking paragraph (1) and inserting the following new paragraph:

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2019 through 2023.”.

Subtitle F—Miscellaneous

SEC. 6501. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(b)(7) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)(7)) is amended—

(1) in subparagraph (B), by striking “\$40,000,000 for each of fiscal years 2008 through 2018” and inserting “\$50,000,000 for each of fiscal years 2019 through 2023”; and

(2) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

SEC. 6502. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1632b(i)) is amended by striking “2018” and inserting “2023”.

SEC. 6503. REGIONAL ECONOMIC AND INFRASTRUCTURE DEVELOPMENT COMMISSIONS.

Section 15751(a) of title 40, United States Code, is amended by striking “2018” and inserting “2023”.

SEC. 6504. DEFINITION OF RURAL AREA FOR PURPOSES OF THE HOUSING ACT OF 1949.

The second sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended—

(1) by striking “or 2010 decennial census” and inserting “2010, or 2020 decennial census”;

(2) by striking “December 31, 2010,” and inserting “December 31, 2020,” ; and

(3) by striking “year 2020” and inserting “year 2030”.

Subtitle G—Program Repeals

SEC. 6601. ELIMINATION OF UNFUNDED PROGRAMS.

(a) CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—

(1) REPEALERS.—The following provisions of the Consolidated Farm and Rural Development Act are hereby repealed:

(A) Section 306(a)(23) (7 U.S.C. 1926(a)(23)).

(B) Section 310B(f) (7 U.S.C. 1932(f)).

(C) Section 379 (7 U.S.C. 2008n).

(D) Section 379A (7 U.S.C. 2008o).

(E) Section 379C (7 U.S.C. 2008q).

(F) Section 379D (7 U.S.C. 2008r).

(G) Section 379F (7 U.S.C. 2008t).

(H) Subtitle I (7 U.S.C. 2009dd–2009dd-7).

(2) CONFORMING AMENDMENT.—Section 333A(h) of such Act (7 U.S.C. 1983a(h)) is amended by striking “310B(f),”.

(b) RURAL ELECTRIFICATION ACT OF 1936.—

(1) IN GENERAL.—The following provisions of the Rural Electrification Act of 1936 are hereby repealed:

(A) Section 314 (7 U.S.C. 940d).

(B) Section 602 (7 U.S.C. 950bb-1).

(2) CONFORMING AMENDMENT.—Sections 604 and 605 of such Act, as added by sections 6102 and 6115 of this Act, are redesignated as sections 602 and 604, respectively, and section 602 (as so redesignated) is transferred to just after section 601 of the Rural Electrification Act of 1936.

SEC. 6602. REPEAL OF RURAL TELEPHONE BANK.

(a) REPEAL.—Title IV of the Rural Electrification Act of 1936 (7 U.S.C. 941–950b) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 18 of such Act (7 U.S.C. 918) is amended in each of subsections (a) and (b) by striking “and the Governor of the telephone bank”.

(2) Section 204 of such Act (7 U.S.C. 925) is amended by striking “and the Governor of the telephone bank”.

(3) Section 205(a) of such Act (7 U.S.C. 926) is amended—

(A) in the matter preceding paragraph (1), by striking “and the Governor of the telephone bank”; and

(B) in paragraph (2), by striking “or the Governor of the telephone bank”.

(4) Section 206(a) of such Act (7 U.S.C. 927(a)) is amended—

(A) in the matter preceding paragraph (1), by striking “and the Governor of the telephone bank”; and

(B) in paragraph (4), by striking “or 408”.

(5) Section 206(b) of such Act (7 U.S.C. 927(b)) is amended—

(A) in the matter preceding paragraph (1), by striking “and the Governor of the telephone bank”;

(B) in paragraph (1), by striking “, or a Rural Telephone Bank loan,”; and

(C) in paragraph (2), by striking “, the Rural Telephone Bank,”.

- (6) Section 207(1) of such Act (7 U.S.C. 928(1)) is amended—
 (A) by striking “305,” and inserting “ 305 or”; and
 (B) by striking “, or a loan under section 408,”.
- (7) Section 301 of such Act (7 U.S.C. 931) is amended—
 (A) in paragraph (3), by striking “except for net collection proceeds previously appropriated for the purchase of class A stock in the Rural Telephone Bank,”;
 (B) by adding “or” at the end of paragraph (4);
 (C) by striking “; and” at the end of paragraph (5) and inserting a period;
 and
 (D) by striking paragraph (6).
- (8) Section 305(d)(2)(B) of such Act (7 U.S.C. 935(d)(2)(B)) is amended—
 (A) in clause (i), by striking “and a loan under section 408”; and
 (B) in clause (ii), by striking “and under section 408” each place it appears.
- (9) Section 305(d)(3)(C) of such Act (7 U.S.C. 935(d)(3)(C)) is amended by striking “and section 408(b)(4)(C), the Secretary and the Governor of the telephone bank” and inserting “the Secretary”.
- (10) Section 306 of such Act (7 U.S.C. 936) is amended by striking “the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation,” and inserting “the National Rural Utilities Cooperative Finance Corporation”.
- (11) Section 309 of such Act (7 U.S.C. 739) is amended by striking the last sentence.
- (12) Section 2352(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 901 note) is amended by striking “the Rural Telephone Bank and”.
- (13) The first section of Public Law 92–12 (7 U.S.C. 921a) is repealed.
- (14) The first section of Public Law 92–324 (7 U.S.C. 921b) is repealed.
- (15) Section 1414 of the Omnibus Budget Reconciliation Act of 1987 (7 U.S.C. 944a) is repealed.
- (16) Section 1411 of the Omnibus Budget Reconciliation Act of 1987 (7 U.S.C. 948 notes) is amended by striking subsections (a) and (b).
- (17) Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended by striking “or a loan or loan commitment from the Rural Telephone Bank,”.
- (18) Section 105(d) of the National Consumer Cooperative Bank Act (12 U.S.C. 3015(d)) is amended by striking “the Rural Telephone Bank,”.
- (19) Section 9101 of title 31, United States Code, is amended—
 (A) in paragraph (2), by striking subparagraph (H) and redesignating subparagraphs (I), (J), and (K) as subparagraphs (H), (I), and (J), respectively; and
 (B) in paragraph (3), by striking subparagraph (K) and redesignating subparagraphs (L) through (R) as subparagraphs (K) through (P), respectively.
- (20) Section 9108(d)(2) of title 31, United States Code, is amended by striking “the Rural Telephone Bank (when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)),”.

SEC. 6603. AMENDMENTS TO LOCAL TV ACT.

The Launching Our Communities’ Access to Local Television Act of 2000 (title X of H.R. 5548 of the 106th Congress, as enacted by section 1(a)(2) of Public Law 106–553; 114 Stat. 2762A–128) is amended—

- (1) by striking the title heading and inserting the following:

**“TITLE X—SATELLITE CARRIER
 RETRANSMISSION ELIGIBILITY”;**

- (2) by striking sections 1001 through 1007 and 1009 through 1012; and
 (3) by redesignating section 1008 as section 1001.

Subtitle H—Technical Corrections

SEC. 6701. CORRECTIONS RELATING TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a)(1) Section 306(a)(19)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)(A)) is amended by inserting after “nonprofit corporations” the

following: “, Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act)”.

(2) The amendment made by this subsection shall take effect as if included in section 773 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (H.R. 5426 of the 106th Congress, as enacted by Public Law 106–387 (114 Stat. 1549A–45)) in lieu of the amendment made by such section.

(b)(1) Section 309A(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929a(b)) is amended by striking “and section 308”.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 661(c)(2) of the Federal Agricultural Improvement and Reform Act of 1996 (Public Law 104–127).

(c) Section 310B(c)(3)(A)(v) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c)(3)(A)(v)) is amended by striking “and” after the semicolon and inserting “or”.

(d)(1) Section 310B(e)(5)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(5)(F)) is amended by inserting “, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382))” before the period at the end.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 6015 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171).

(e)(1) Section 381E(d)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(d)(3)) is amended by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(2) The amendment made by paragraph (1) shall take effect as if included in the enactment of section 6012(b) of the Agricultural Act of 2014 (Public Law 113–79).

(f)(1) Section 382A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa) is amended by adding at the end the following:

“(4) Notwithstanding any other provision of law, the State of Alabama shall be a full member of the Delta Regional Authority and shall be entitled to all rights and privileges that said membership affords to all other participating States in the Delta Regional Authority.”.

(2) The amendment made by this subsection shall take effect as if included in the enactment of section 153(b) of division B of H.R. 5666, as introduced in the 106th Congress, and as enacted by section 1(4) of the Consolidated Appropriations Act, 2001 (Appendix D of Public Law 106–554; 114 Stat. 2763A–252).

(g) Section 382E(a)(1)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-4(a)(1)(B)) is amended by moving clause (iv) 2 ems to the right.

(h) Section 383G(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb-5(c)) is amended—

(1) in the subsection heading by striking “TELECOMMUNICATION RENEWABLE ENERGY,” and inserting “TELECOMMUNICATION, RENEWABLE ENERGY,”; and

(2) in the text, by striking “,” and inserting a comma.

SEC. 6702. CORRECTIONS RELATING TO THE RURAL ELECTRIFICATION ACT OF 1936.

(a) Section 201 of the Rural Electrification Act of 1936 (7 U.S.C. 922) is amended in the 3rd sentence by striking “wildest” and inserting “widest”.

(b)(1) Section 601(d)(8)(A)(ii)(V) of such Act (7 U.S.C. 950bb(d)(8)(A)(ii)(V)) is amended by striking the semicolon and inserting a period.

(2) The amendment made by paragraph (1) shall take effect as if included in the enactment of section 6104(a)(2)(E) of the Agricultural Act of 2014 (Public Law 113–79).

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 7101. INTERNATIONAL AGRICULTURE RESEARCH.

Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended—

(1) in paragraph (7), by striking “and” at the end;

(2) in paragraph (8), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(9) support international scientific collaboration that leverages resources and advances the food and agricultural interests of the United States.”

SEC. 7102. MATTERS RELATED TO CERTAIN SCHOOL DESIGNATIONS AND DECLARATIONS.

(a) **STUDY OF FOOD AND AGRICULTURAL SCIENCES.**—

(1) **AMENDMENT.**—Section 1404(14) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(14)) is amended—

(A) by amending subparagraph (A) to read as follows:

“(A) **IN GENERAL.**—

“(i) **DEFINITION.**—The terms ‘NLGCA Institution’ and ‘non-land-grant college of agriculture’ mean a public college or university offering a baccalaureate or higher degree in the study of agricultural sciences, forestry, or both in any area of study specified in clause (ii).

“(ii) **CLARIFICATION.**—For purposes of clause (i), an area of study specified in this clause is any of the following:

“(I) Agriculture.

“(II) Agricultural business and management.

“(III) Agricultural economics.

“(IV) Agricultural mechanization.

“(V) Agricultural production operations.

“(VI) Aquaculture.

“(VII) Agricultural and food products processing.

“(VIII) Agricultural and domestic animal services.

“(IX) Equestrian or equine studies.

“(X) Applied horticulture or horticulture operations.

“(XI) Ornamental horticulture.

“(XII) Greenhouse operations and management.

“(XIII) Turf and turfgrass management.

“(XIV) Plant nursery operations and management.

“(XV) Floriculture or floristry operations and management.

“(XVI) International agriculture.

“(XVII) Agricultural public services.

“(XVIII) Agricultural and extension education services.

“(XIX) Agricultural communication or agricultural journalism.

“(XX) Animal sciences.

“(XXI) Food science.

“(XXII) Plant sciences.

“(XXIII) Soil sciences.

“(XXIV) Forestry.

“(XXV) Forest sciences and biology.

“(XXVI) Natural resources or conservation.

“(XXVII) Natural resources management and policy.

“(XXVIII) Natural resource economics.

“(XXIX) Urban forestry.

“(XXX) Wood science and wood products or pulp or paper technology.

“(XXXI) Range science and management.

“(XXXII) Agricultural engineering.”; and

(B) **IN SUBPARAGRAPH (C)**—

(i) in the matter preceding clause (i), by inserting “any institution designated under” after “include”;

(ii) by striking clause (i); and

(iii) in clause (ii)—

(I) by striking “(ii) any institution designated under—”;

(II) by striking subclause (IV);

(III) in subclause (II), by adding “or” at the end;

(IV) in subclause (III), by striking “; or” at the end and inserting a period; and

(V) by redesignating subclauses (I), (II), and (III) (as so amended) as clauses (i), (ii), and (iii), respectively, and by moving the margins of such clauses (as so redesignated) two ems to the left.

(2) **DESIGNATION REVIEW.**—

(A) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, the Secretary shall establish a process to review each designated NLGCA Institution (as defined in section 1404(14)(A) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7

U.S.C. 3103(14)(A)) to ensure compliance with such section, as amended by this subsection.

(B) VIOLATION.—An NLGCA Institution that the Secretary determines under subparagraph (A) to be not in compliance shall have the designation of such institution revoked.

(b) TERMINATION OF CERTAIN DECLARATIONS OF INTENT.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

- (1) in paragraph (5)(B), by striking “2018” and inserting “2023”; and
- (2) in paragraph (10)(C), by striking “2018” and inserting “2023”.

SEC. 7103. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)—

- (A) in paragraph (1), by striking “25” and inserting “15”; and
- (B) by amending paragraph (3) to read as follows:

“(3) MEMBERSHIP CATEGORIES.—The Advisory Board shall consist of members from each of the following categories:

“(A) 3 members representing national farm or producer organizations, which may include members—

- “(i) representing farm cooperatives;
- “(ii) who are producers actively engaged in the production of a food animal commodity and who are recommended by a coalition of national livestock organizations;
- “(iii) who are producers actively engaged in the production of a plant commodity and who are recommended by a coalition of national crop organizations; or
- “(iv) who are producers actively engaged in aquaculture and who are recommended by a coalition of national aquacultural organizations.

“(B) 2 members representing academic or research societies, which may include members representing—

- “(i) a national food animal science society;
- “(ii) a national crop, soil, agronomy, horticulture, plant pathology, or weed science society;
- “(iii) a national food science organization;
- “(iv) a national human health association; or
- “(v) a national nutritional science society.

“(C) 5 members representing agricultural research, extension, and education, which shall include each of the following:

- “(i) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.).
- “(ii) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.
- “(iii) 1 member representing the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)).
- “(iv) 1 member representing NLGCA Institutions or Hispanic-serving institutions.
- “(v) 1 member representing the American Colleges of Veterinary Medicine.

“(D) 5 members representing industry, consumer, or rural interests, including members representing—

- “(i) entities engaged in transportation of food and agricultural products to domestic and foreign markets;
- “(ii) food retailing and marketing interests;
- “(iii) food and fiber processors;
- “(iv) rural economic development interests;
- “(v) a national consumer interest group;
- “(vi) a national forestry group;
- “(vii) a national conservation or natural resource group;
- “(viii) a national social science association; or
- “(ix) private sector organizations involved in international development.”;

(2) in subsection (c)—

- (A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “review and” and inserting “make recommendations, review, and”;

(ii) by striking subparagraph (A) and inserting the following new subparagraph:

“(A) long-term and short-term national policies and priorities consistent with the—

“(i) purposes specified in section 1402 for agricultural research, extension, education, and economics; and

“(ii) priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2));”;

(iii) in subparagraph (B), by striking clause (i) and inserting the following new clause:

“(i) are in accordance with the—

“(I) purposes specified in a provision of a covered law (as defined in subsection (d) of section 1492) under which competitive grants (described in subsection (c) of such section) are awarded; and

“(II) priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2)); and”;

(B) in paragraph (2), by inserting “and make recommendations to the Secretary based on such evaluation” after “priorities”; and

(C) in paragraph (4), by inserting “and make recommendations on” after “review”; and

(3) in subsection (h), by striking “2018” and inserting “2023”.

SEC. 7104. SPECIALTY CROP COMMITTEE.

Section 1408A(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(a)(2)) is amended—

(1) in subparagraph (A), by striking “speciality” and inserting “specialty”;

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking “9” and inserting “11”; and

(B) in clause (i), by striking “Three” and inserting “Five”; and

(3) in subparagraph (D), by striking “2018” and inserting “2023”.

SEC. 7105. RENEWABLE ENERGY COMMITTEE DISCONTINUED.

Subtitle B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121 et seq.) is amended by striking section 1408B.

SEC. 7106. REPORT ON ALLOCATIONS AND MATCHING FUNDS FOR 1890 INSTITUTIONS.

The Secretary of Agriculture shall annually transmit to Congress a report on the allocations made to, and matching funds received by, eligible institutions pursuant to sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221, 3222).

SEC. 7107. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURE SCIENCES EDUCATION.

Section 1417(m)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(m)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7108. AGRICULTURAL AND FOOD POLICY RESEARCH CENTERS.

Section 1419A(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(e)) is amended by striking “2018” and inserting “2023”.

SEC. 7109. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.

Section 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3156) is amended—

(1) in subsection (a)(3), by striking “2018” and inserting “2023”; and

(2) in subsection (b)(3), by striking “2018” and inserting “2023”.

SEC. 7110. REPEAL OF NUTRITION EDUCATION PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by striking section 1425 (7 U.S.C. 3175).

SEC. 7111. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(c)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 7112. EXTENSION CARRYOVER AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Effective on October 1, 2018, section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended by striking paragraph (4).

SEC. 7113. SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITUTIONS.

Subtitle G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1445 (7 U.S.C. 3222) the following new section:

“SEC. 1446. SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITUTIONS.**“(a) IN GENERAL.—**

“(1) SCHOLARSHIP GRANT PROGRAM ESTABLISHED.—The Secretary shall establish and carry out a grant program to make grants to each college or university eligible to receive funds under the Act of August 30, 1890 (commonly known as the Second Morrill Act; 7 U.S.C. 322 et seq.), including Tuskegee University, for purposes of awarding scholarships to individuals who—

“(A) have been accepted for admission at such college or university;

“(B) will be enrolled at such college or university not later than one year after the date of such acceptance; and

“(C) intend to pursue a career in the food and agricultural sciences, including a career in—

“(i) agribusiness;

“(ii) energy and renewable fuels; or

“(iii) financial management.

“(2) AMOUNT OF GRANT.—Each grant made under this section shall be in the amount of \$1,000,000.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$19,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 7114. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking “2018” and inserting “2023”.

SEC. 7115. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

Section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking “2018” and inserting “2023”.

SEC. 7116. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking “2018” and inserting “2023”.

SEC. 7117. LAND-GRANT DESIGNATION.

Subtitle C of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151 et seq.) is amended by adding at the end the following new section:

“SEC. 1419C. LAND-GRANT DESIGNATION.

“(a) IN GENERAL.—Notwithstanding any other provision of law, beginning on the date of the enactment of this section, no additional entity may be designated as eligible to receive funds under a covered program.

“(b) STATE FUNDING.—No State shall receive an increase in funding under a covered program as a result of the State’s designation of additional entities as eligible to receive such funding.

“(c) COVERED PROGRAM DEFINED.—For purposes of this section, the term ‘covered program’ means agricultural research, extension, education, and related programs or grants established or available under any of the following:

“(1) Subsections (b), (c), and (d) of section 3 of the Smith-Lever Act (7 U.S.C. 343).

“(2) The Hatch Act of 1887 (7 U.S.C. 361a et seq.).

“(3) Sections 1444, 1445, and 1447 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221; 3222; 3222b).

“(4) Public Law 87–788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.).

“(d) EXCEPTION.—Nothing in this section shall be construed as limiting eligibility for a capacity and infrastructure program specified in section 251(f)(1)(C) of the De-

partment of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C)) that is not a covered program.”.

SEC. 7118. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7119. LIMITATION ON INDIRECT COSTS FOR AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION PROGRAMS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

- (1) in subsection (a), by striking “22 percent” and inserting “30 percent”;
- (2) in subsection (b), by striking “Subsection (a)” and inserting “Subsections (a) and (c)”; and
- (3) by adding at the end the following:

“(c) TREATMENT OF SUBGRANTS.—In the case of a grant described in subsection (a), the limitation on indirect costs specified in such subsection shall be applied to both the initial grant award and any subgrant of the Federal funds provided under the initial grant award so that the total of all indirect costs charged against the total of the Federal funds provided under the initial grant award does not exceed such limitation.”.

SEC. 7120. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1462 (7 U.S.C. 3310) the following new section:

“SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

“(a) IN GENERAL.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions.

“(b) MAXIMUM AMOUNT.—The amount of a grant made to an eligible institution under this section may not exceed \$500,000.

“(c) PROHIBITION ON CHARGE OR EQUIPMENT AS INDIRECT COSTS.—The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—

- “(1) charged as an indirect cost against another Federal grant; or
- “(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

“(d) ELIGIBLE INSTITUTIONS DEFINED.—In this section, the term ‘eligible institution’ means—

- “(1) a college or university; or
- “(2) a State cooperative institution.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 7121. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking “2018” each place it appears in subsections (a) and (b) and inserting “2023”.

SEC. 7122. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking “2018” and inserting “2023”.

SEC. 7123. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

- (1) in subsection (a)—
 - (A) by striking “2018” and inserting “2023”; and
 - (B) by striking “crops,” and inserting “crops (including canola).”;
- (2) in subsection (b)—
 - (A) by inserting “for agronomic rotational purposes and for use as a habitat for honey bees and other pollinators” after “alternative crops”; and
 - (B) by striking “commodities whose” and all that follows through the period at the end and inserting “commodities.”; and
- (3) in subsection (e)(2), by striking “2018” and inserting “2023”.

SEC. 7124. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.

Section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319i(b)) is amended by striking “2018” and inserting “2023”.

SEC. 7125. AQUACULTURE ASSISTANCE PROGRAMS.

Section 1477(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324(a)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7126. RANGELAND RESEARCH PROGRAMS.

Section 1483(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7127. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

Section 1484 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new paragraph:

“(3) \$30,000,000 for each of fiscal years 2019 through 2023.”; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “and cooperative agreements” after “competitive grants”;

(B) in paragraph (3), by striking “make competitive grants” and inserting “award competitive grants and cooperative agreements”; and

(C) by adding at the end the following new paragraph:

“(5) To coordinate the tactical science activities of the Research, Education, and Economics mission area of the Department that protect the integrity, reliability, sustainability, and profitability of the food and agricultural system of the United States against biosecurity threats from pests, diseases, contaminants, and disasters.”.

SEC. 7128. DISTANCE EDUCATION AND RESIDENT INSTRUCTION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—Section 1490(f)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)(2)) is amended by striking “2018” and inserting “2023”.

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363(c)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7129. REMOVAL OF MATCHING FUNDS REQUIREMENT FOR CERTAIN GRANTS.

Section 1492(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3371(d)) is amended by striking paragraph (5).

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICATIONS.

Section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5814) is amended in the first sentence by striking “2018” and inserting “2023”.

SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.

Section 1627(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amended by striking “2018” and inserting “2023”.

SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM.

Section 1628(f)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(f)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7204. NATIONAL TRAINING PROGRAM.

Section 1629(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832(i)) is amended by striking “2018” and inserting “2023”.

SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7206. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking “2018” and inserting “2023”.

SEC. 7207. AGRICULTURAL GENOME TO PHENOME INITIATIVE.

Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is amended—

(1) in the section heading, by inserting “**TO PHENOME**” after “**GENOME**”;

(2) by amending subsection (a) to read as follows:

“(a) **GOALS.**—The goals of this section are—

“(1) to expand knowledge concerning genomes and phenomes of crops of importance to United States agriculture;

“(2) to understand how variable weather, environments, and production systems impact the growth and productivity of specific varieties of crops, thereby providing greater accuracy in predicting crop performance under variable growing conditions;

“(3) to support research that leverages plant genomic information with phenotypic and environmental data through an interdisciplinary framework, leading to a novel understanding of plant processes that affect crop growth, productivity, and the ability to predict crop performance, resulting in the deployment of superior varieties to growers and improved crop management recommendations for farmers;

“(4) to promote and coordinate research linking genomics and predictive phenomics at different sites nationally to achieve advances in crops that generate societal benefits;

“(5) to combine fields such as genetics, genomics, plant physiology, agronomy, climatology, and crop modeling with computation and informatics, statistics, and engineering;

“(6) to focus on crops that will yield scientifically important results that will enhance the usefulness of many other crops;

“(7) to build on genomic research, such as the Plant Genome Research Project, to understand gene function in production environments that are expected to have considerable payoffs for crops of importance to United States agriculture;

“(8) to develop improved data analytics to enhance understanding of the biological function of crop genes;

“(9) to allow resources developed under this section, including data, software, germplasm, and other biological materials, to be openly accessible to all persons, subject to any confidentiality requirements imposed by law; and

“(10) to encourage international partnerships with each partner country responsible for financing its own research.”;

(3) by amending subsection (b) to read as follows:

“(b) **DUTIES OF SECRETARY.**—The Secretary of Agriculture shall conduct a research initiative (to be known as the ‘Agricultural Genome to Phenome Initiative’) for the purpose of—

“(1) studying agriculturally significant crops in production environments to achieve sustainable and secure agricultural production;

“(2) ensuring that current gaps in existing knowledge of agricultural crop genetics and phenomics knowledge are filled;

“(3) identifying and developing a functional understanding of agronomically relevant genes from crops of importance to United States agriculture;

“(4) ensuring future genetic improvement of crops of importance to United States agriculture;

“(5) studying the relevance of diverse germplasm as a source of unique genes that may be of importance to United States agriculture in the future;

“(6) enhancing crop genetics to reduce the economic impact of plant pathogens on crops of importance to United States agriculture; and

“(7) disseminating findings to relevant audiences.”;

(4) in subsection (c)(1), by inserting “, acting through the National Institute of Food and Agriculture,” after “The Secretary”;

(5) in subsection (e), by inserting “to Phenome” after “Genome”; and

(6) by adding at the end the following new subsection:

“(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 7208. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—

(1) in subsection (d)—

(A) in paragraph (8)—

(i) in the heading, by striking “ALFALFA AND FORAGE” and inserting “ALFALFA SEED AND ALFALFA FORAGE SYSTEMS”;

(ii) by striking “alfalfa and forage” and inserting “alfalfa seed and alfalfa forage systems”; and

(iii) by striking “alfalfa and other forages, and” and inserting “alfalfa seed and other alfalfa forage”; and

(B) by adding at the end the following new paragraphs:

“(11) MACADAMIA TREE HEALTH INITIATIVE.—Research and extension grants may be made under this section for the purposes of—

“(A) developing and disseminating science-based tools and treatments to combat the macadamia felted coccid (*Eriococcus ironsidei*); and

“(B) establishing an areawide integrated pest management program in areas affected by, or areas at risk of being affected by, the macadamia felted coccid.

“(12) NATIONAL TURFGRASS RESEARCH INITIATIVE.—Research and extension grants may be made under this section for the purposes of—

“(A) carrying out or enhancing research related to turfgrass and sod issues;

“(B) enhancing production and uses of turfgrass for the general public;

“(C) identifying new turfgrass varieties with superior drought, heat, cold, and pest tolerance to reduce water, fertilizer, and pesticide use;

“(D) selecting genetically superior turfgrasses and developing improved technologies for managing commercial, residential, and recreational turfgrass areas;

“(E) producing turfgrasses that—

“(i) aid in mitigating soil erosion;

“(ii) protect against pollutant runoff into waterways; or

“(iii) provide other environmental benefits;

“(F) investigating, preserving, and protecting native plant species, including grasses not currently utilized in turfgrass systems;

“(G) creating systems for more economical and viable turfgrass seed and sod production throughout the United States; and

“(H) investigating the turfgrass phytobiome and developing biologic products to enhance soil, enrich plants, and mitigate pests.

“(13) FERTILIZER MANAGEMENT INITIATIVE.—

“(A) IN GENERAL.—Research and extension grants may be made under this section for the purpose of carrying out research to improve fertilizer use efficiency in crops—

“(i) to maximize crop yield; and

“(ii) to minimize nutrient losses to surface and groundwater and the atmosphere.

“(B) PRIORITY.—In awarding grants under subparagraph (A), the Secretary shall give priority to research examining the impact of the source, rate, timing, and placement of plant nutrients.

“(14) CATTLE FEVER TICK PROGRAM.—Research and extension grants may be made under this section to study cattle fever ticks—

“(A) to facilitate the understanding of the role of wildlife in the persistence and spread of cattle fever ticks;

“(B) to develop advanced methods for eradication of cattle fever ticks, including—

“(i) alternative treatment methods for cattle and other susceptible species;

“(ii) field treatment for premises, including corral pens and pasture loafing areas;

“(iii) methods for treatment and control on infested wildlife;

“(iv) biological control agents; and

“(v) new and improved vaccines;

“(C) to evaluate rangeland vegetation that impacts the survival of cattle fever ticks;

“(D) to improve management of diseases relating to cattle fever ticks that are associated with wildlife, livestock, and human health;

“(E) to improve diagnostic detection of tick-infested or infected animals and pastures; and

“(F) to conduct outreach to impacted ranchers, hunters, and landowners to integrate tactics and document sustainability of best practices.

“(15) LAYING HEN AND TURKEY RESEARCH PROGRAM.—Research grants may be made under this section for the purpose of improving the efficiency and sustainability of laying hen and turkey production through integrated, collaborative research and technology transfer. Emphasis may be placed on laying hen and turkey disease prevention, antimicrobial resistance, nutrition, gut health, and alternative housing systems under extreme seasonal weather conditions.

“(16) ALGAE AGRICULTURE RESEARCH PROGRAM.—Research and extension grants may be made under this section for the development and testing of algae and algae systems (including micro- and macro-algae systems).”;

(2) in subsection (e)(5), by striking “2018” and inserting “2023”;

(3) in subsection (f)(5), by striking “2018” and inserting “2023”;

(4) in subsection (g), by striking “2018” each place it appears and inserting “2023”; and

(5) in subsection (h), by striking “2018” and inserting “2023”.

SEC. 7209. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)(7), by inserting “, soil health,” after “conservation”; and

(2) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking “and” at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting “, and”; and

(iii) by adding at the end the following new subparagraph:

“(D) \$30,000,000 for each of fiscal years 2019 through 2023.”; and

(B) in paragraph (2)—

(i) in the paragraph heading, by striking “FOR FISCAL YEARS 2014 THROUGH 2018”; and

(ii) by striking “2018” and inserting “2023”.

SEC. 7210. FARM BUSINESS MANAGEMENT.

Section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f) is amended—

(1) by amending subsection (a) to read as follows:

“(a) IN GENERAL.—The Secretary may make competitive research and extension grants for the purpose of improving the farm management knowledge and skills of agricultural producers by maintaining and expanding a national, publicly available farm financial management database to support improved farm management.”;

(2) in subsection (b)—

(A) in paragraph (2), by striking “and producer” and inserting “educational programs and”; and

(B) in paragraph (4), by striking “use and support” and inserting “contribute data to”; and

(3) in subsection (d)(2), by striking “2018” and inserting “2023”.

SEC. 7211. CLARIFICATION OF VETERAN ELIGIBILITY FOR ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

“(7) CLARIFICATION OF APPLICATION OF PROVISIONS TO VETERANS WITH DISABILITIES.—This subsection shall apply with respect to veterans with disabilities, and their families, who—

“(A) are engaged in farming or farm-related occupations; or

“(B) are pursuing new farming opportunities.”;

(2) in subsection (b)—

(A) by inserting “(including veterans)” after “individuals”; and

(B) by inserting “or, in the case of veterans with disabilities, who are pursuing new farming opportunities” before the period at the end; and

(3) in subsection (c)(1)(B), by striking “2018” and inserting “2023”.

SEC. 7212. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking “2018” and inserting “2023”.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 7300. ENDING LIMITATION ON FUNDING UNDER NATIONAL FOOD SAFETY TRAINING, EDUCATION, EXTENSION, OUTREACH, AND TECHNICAL ASSISTANCE PROGRAM.

Section 405(e)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(e)(3)) is amended to read as follows:

“(3) TERM OF GRANT.—A grant under this section shall have a term that is not more than 3 years.”.

SEC. 7301. NATIONAL FOOD SAFETY TRAINING, EDUCATION, EXTENSION, OUTREACH, AND TECHNICAL ASSISTANCE PROGRAM.

Section 405(j) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(j)) is amended by striking “2011 through 2015” and inserting “2019 through 2023”.

SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking “2018” and inserting “2023”.

SEC. 7303. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7304. GRANTS FOR YOUTH ORGANIZATIONS.

Section 410(d)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(d)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7305. SPECIALTY CROP RESEARCH INITIATIVE.

(a) ELEMENTS OF INITIATIVE.—Section 412(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(b)) is amended—

- (1) in paragraph (1)—
 - (A) in subparagraph (D), by striking “; and” and inserting a semicolon;
 - (B) in subparagraph (E), by adding “and” at the end; and
 - (C) by adding at the end the following new subparagraph:

“(F) size-controlling rootstock systems for perennial crops;”;
- (2) in paragraph (2)—
 - (A) by striking “including threats to specialty crop pollinators;” and inserting the following: “including—
 - “(A) threats to specialty crop pollinators; and”; and
 - (B) by adding at the end the following new subparagraph:

“(B) emerging and invasive species;”;
- (3) in paragraph (3), by striking “marketing;” and inserting the following: “marketing) and a better understanding of the soil rhizosphere microbiome, including—
 - “(A) pesticide application systems and certified drift-reduction technologies; and
 - “(B) systems to improve and extend storage life of specialty crops;”;
- (4) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;
- (5) by inserting after paragraph (3) the following new paragraph:

“(4) efforts to promote a more effective understanding and use of existing natural enemy complexes;”;
- (6) in paragraph (5) (as redesignated by paragraph (4))—
 - (A) by striking “including improved mechanization and technologies that delay or inhibit ripening; and” and inserting the following: “including—
 - “(A) technologies that delay or inhibit ripening;”;
 - (B) by adding at the end the following new subparagraphs:

“(B) mechanization and automation of labor-intensive tasks on farms and in packing facilities;

“(C) decision support systems driven by phenology and environmental factors;

“(D) improved monitoring systems for agricultural pests; and

“(E) effective systems for pre- and post-harvest management of quarantine pests; and”.

(b) EMERGENCY CITRUS DISEASE RESEARCH AND EXTENSION PROGRAM.—Section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is amended—

(1) in subsection (j)(5), by striking “2018” and inserting “2023”; and

(2) in subsection (k)(1)(C), by striking “2018” and inserting “2023”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 412(k)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(k)(2)) is amended—

(1) in the subsection heading, by striking “2018” and inserting “2023”; and

(2) by striking “2018” and inserting “2023”.

SEC. 7306. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is amended by striking “2018” and inserting “2023”.

SEC. 7307. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7308. FORESTRY PRODUCTS ADVANCED UTILIZATION RESEARCH.

Section 617(f)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7655b(f)(1)) is amended by striking “2018” and inserting “2023”.

Subtitle D—Food, Conservation, and Energy Act of 2008

PART I—AGRICULTURAL SECURITY

SEC. 7401. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.

Section 14112(c)(2) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912(c)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7402. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.

Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—

(1) in subsection (a)(2)(B), by striking “2018” and inserting “2023”; and

(2) in subsection (b)(2)(B), by striking “2018” and inserting “2023”.

SEC. 7403. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.

Section 14121(b)(2) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8921(b)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7404. AGRICULTURAL BIOSECURITY GRANT PROGRAM.

Section 14122(e)(2) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8922(e)(2)) is amended by striking “2018” and inserting “2023”.

PART II—MISCELLANEOUS

SEC. 7411. GRAZINGLANDS RESEARCH LABORATORY.

Section 7502 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2019) is amended by striking “10-year period” and inserting “15-year period”.

SEC. 7412. NATURAL PRODUCTS RESEARCH PROGRAM.

Section 7525(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5937(e)) is amended by striking “2018” and inserting “2023”.

SEC. 7413. SUN GRANT PROGRAM.

Section 7526(g) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(g)) is amended by striking “2018” and inserting “2023”.

Subtitle E—Amendments to Other Laws

SEC. 7501. CRITICAL AGRICULTURAL MATERIALS ACT.

Section 16(a)(2) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 7502. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) 1994 INSTITUTION DEFINED.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended to read as follows:

“SEC. 532. DEFINITION OF 1994 INSTITUTION.

“In this part, the term ‘1994 Institution’ means any of the following colleges:

- “(1) Aaniiih Nakoda College.
- “(2) Bay Mills Community College.
- “(3) Blackfeet Community College.
- “(4) Cankdeska Cikana Community College.
- “(5) Chief Dull Knife College.
- “(6) College of Menominee Nation.
- “(7) College of the Muscogee Nation.
- “(8) D–Q University.
- “(9) Dine College.
- “(10) Fond du Lac Tribal and Community College.
- “(11) Fort Peck Community College.
- “(12) Haskell Indian Nations University.
- “(13) Iisagvik College.
- “(14) Institute of American Indian and Alaska Native Culture and Arts Development.
- “(15) Keweenaw Bay Ojibwa Community College.
- “(16) Lac Courte Oreilles Ojibwa Community College.
- “(17) Leech Lake Tribal College.
- “(18) Little Big Horn College.
- “(19) Little Priest Tribal College.
- “(20) Navajo Technical University.
- “(21) Nebraska Indian Community College.
- “(22) Northwest Indian College.
- “(23) Nueta Hidatsa Sahnish College.
- “(24) Oglala Lakota College.
- “(25) Red Lake Nation College.
- “(26) Saginaw Chippewa Tribal College.
- “(27) Salish Kootenai College.
- “(28) Sinte Gleska University.
- “(29) Sisseton Wahpeton College.
- “(30) Sitting Bull College.
- “(31) Southwestern Indian Polytechnic Institute.
- “(32) Stone Child College.
- “(33) Tohono O’odham Community College.
- “(34) Turtle Mountain Community College.
- “(35) United Tribes Technical College.
- “(36) White Earth Tribal and Community College.”.

(b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking “2018” and inserting “2023”.

(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking “2018” each place it appears in subsections (b)(1) and (c) and inserting “2023”.

(d) RESEARCH GRANTS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking “2018” and inserting “2023”.

SEC. 7503. RESEARCH FACILITIES ACT.

(a) AGRICULTURAL RESEARCH FACILITY DEFINED.—The Research Facilities Act is amended—

- (1) in section 2(1) (7 U.S.C. 390(1)) by striking “a college, university, or non-profit institution” and inserting “an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C)))”; and

(2) in section 3(c)(2)(D) (7 U.S.C. 390a(c)(2)(D)), by striking “recipient college, university, or nonprofit institution” and inserting “recipient entity”.

(b) LONG-TERM SUPPORT.—Section 3(c)(2)(D) of the Research Facilities Act (7 U.S.C. 390a(c)(2)(D)), as amended by subsection (a), is further amended by striking “operating costs” and inserting “operating and maintenance costs”.

(c) COMPETITIVE GRANT PROGRAM.—The Research Facilities Act is amended by inserting after section 3 (7 U.S.C. 390a) the following new section:

“SEC. 4. COMPETITIVE GRANT PROGRAM.

“The Secretary shall establish a program to make competitive grants to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities.”.

(d) AUTHORIZATION OF APPROPRIATIONS AND FUNDING LIMITATIONS.—Section 6 of the Research Facilities Act (7 U.S.C. 390d) is amended—

(1) in subsection (a)—

(A) by striking “subsection (b),” and inserting “subsections (b), (c), and (d),”;

(B) by striking “2018” and inserting “2023”; and

(C) by adding at the end the following new sentence: “Funds appropriated pursuant to the preceding sentence shall be available until expended.”; and

(2) by adding at the end the following new subsections:

“(c) MAXIMUM AMOUNT.—Not more than 25 percent of the funds made available pursuant to subsection (a) for any fiscal year shall be used for any single agricultural research facility project.

“(d) PROJECT LIMITATION.—An entity eligible to receive funds under this Act may receive funds for only one project at a time.”.

SEC. 7504. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.

Subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (D)—

(i) by redesignating clauses (iii) through (vii) as clauses (iv) through (viii), respectively; and

(ii) by inserting after clause (ii) the following new clause:

“(iii) soil health.”;

(B) in subparagraph (E)—

(i) in clause (iii), by striking “and” at the end;

(ii) in clause (iv), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following new clause:

“(v) tools that accelerate the use of automation or mechanization for labor-intensive tasks in the production and distribution of crops.”; and

(C) in subparagraph (F)—

(i) in clause (vi), by striking “and” at the end;

(ii) in clause (vii), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following new clause:

“(viii) barriers and bridges to entry and farm viability for young, beginning, socially disadvantaged, veteran, and immigrant farmers and ranchers, including farm succession, transition, transfer, entry, and profitability issues.”;

(2) in paragraph (5)—

(A) in subparagraph (A)(ii), by striking “and” at the end; and

(B) in subparagraph (B), by striking the period at the end and inserting the following: “that—

“(i) is of national scope; or

“(ii) is commodity-specific, so long as any such funds allocated for commodity-specific research are matched with funds from a non-Federal source at least equal to the amount of such funds so allocated.”;

(3) in paragraph (9)—

(A) in subparagraph (A), by striking clause (iii); and

(B) in subparagraph (B)—

(i) in clause (i), by striking “clauses (ii) and (iii)” and inserting “clause (ii)”;

(ii) by striking clause (iii); and

(4) in paragraph (11)(A)—

(A) in the matter preceding clause (i), by striking “2018” and inserting “2023”; and

(B) in clause (ii), by striking “4” and inserting “5”.

SEC. 7505. RENEWABLE RESOURCES EXTENSION ACT OF 1978.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking “2018” and inserting “2023”.

(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking “2018” and inserting “2023”.

SEC. 7506. NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking “2018” each place it appears and inserting “2023”.

SEC. 7507. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—

(1) by striking subsection (b) and redesignating subsection (c) as subsection (b);

(2) in subsection (b), as so redesignated—

(A) in the heading, by striking “GRANTS” and inserting “PROGRAMS”;

(B) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives to increase opportunities for beginning farmers or ranchers.”;

(C) by inserting “or cooperative agreements” after “grants” each place it appears;

(D) by inserting “or cooperative agreement” after “grant” each place it appears;

(E) by striking “subsection” each place it appears and inserting “section”;

(F) by amending paragraph (4) to read as follows:

“(4) MATCHING REQUIREMENT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), to be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

“(B) EXCEPTION.—The Secretary may waive or reduce the matching requirement in subparagraph (A) if the Secretary determines such a waiver or modification is necessary to effectively reach an underserved area or population.”; and

(G) by striking paragraph (8), and redesignating paragraphs (9), (10), (11), and (12) as paragraphs (8), (9), (10), and (11), respectively;

(3) by inserting after subsection (b), as so redesignated, the following new subsection:

“(c) GRANT REQUIREMENTS.—

“(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives to increase opportunities for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

“(A) basic livestock, forest management, and crop farming practices;

“(B) innovative farm, ranch, and private nonindustrial forest land access, and transfer and succession strategies and programs;

“(C) entrepreneurship and business training;

“(D) financial and risk management training (including the acquisition and management of agricultural credit);

“(E) natural resource management and planning;

“(F) diversification and marketing strategies;

“(G) curriculum development;

“(H) mentoring, apprenticeships, and internships;

“(I) resources and referral;

“(J) farm financial benchmarking;

“(K) technical assistance to help beginning farmers or ranchers acquire land from retiring farmers and ranchers;

“(L) agricultural rehabilitation and vocational training for veterans;

“(M) food safety (including good agricultural practices training);

“(N) farm safety and awareness; and

“(O) other similar subject areas of use to beginning farmers or ranchers.

“(2) SET-ASIDE.—

“(A) IN GENERAL.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

- “(i) limited resource beginning farmers or ranchers (as defined by the Secretary);
 - “(ii) socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))) who are beginning farmers and ranchers; and
 - “(iii) farmworkers desiring to become farmers or ranchers.
- “(B) VETERAN FARMERS AND RANCHERS.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of veteran farmers and ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)))”;
- (4) in subsection (d)—
- (A) in paragraph (1)—
 - (i) by striking “and conduct” and inserting “, conduct”; and
 - (ii) by striking the period at the end and inserting “, or provide training and technical assistance initiatives for beginning farmers or ranchers or for trainers and service providers that work with beginning farmers or ranchers.”; and
 - (B) in paragraph (2)—
 - (i) by inserting “, educational programs and workshops, or training and technical assistance initiatives” after “curricula”; and
 - (ii) by striking “modules” and inserting “content”;
- (5) in subsection (g)—
- (A) by inserting “(including retiring farmers and nonfarming landowners)” before “from participating in programs”; and
 - (B) by striking “educating” and inserting “increasing opportunities for”; and
- (6) in subsection (h)—
- (A) in paragraph (1)—
 - (i) in the heading, by striking “FOR FISCAL YEARS 2009 THROUGH 2018”; and
 - (ii) in subparagraph (C), by striking “2018” and inserting “2023”;
 - (B) in paragraph (2)—
 - (i) in the paragraph heading, by striking “FOR FISCAL YEARS 2014 THROUGH 2018”; and
 - (ii) by striking “2018” and inserting “2023”; and
 - (C) by striking paragraph (3).

SEC. 7508. FEDERAL AGRICULTURE RESEARCH FACILITIES.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (title XIV of Public Law 99–198; 99 Stat. 1556) is amended by striking “2018” and inserting “2023”.

SEC. 7509. BIOMASS RESEARCH AND DEVELOPMENT.

Section 9008(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)) is amended to read as follows:

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2019 through 2023.”.

Subtitle F—Other Matters

SEC. 7601. ENHANCED USE LEASE AUTHORITY PROGRAM.

(a) TRANSITION TO PERMANENT PROGRAM.—Section 308 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a note) is amended—

- (1) in the section heading, by striking “PILOT”; and
- (2) in subsection (a), by striking “pilot”.

(b) NO ONSITE SALES.—Section 308(b)(1)(C) of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 is amended by inserting “onsite” before “public”.

(c) TERMINATION OF AUTHORITY EXTENDED.—Section 308(b)(6)(A) of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a note) is amended by striking “on the date that is 10 years after the date of enactment of this section” and inserting “on June 18, 2023”.

(d) REPORTS.—Section 308(d)(2) of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a note) is amended by striking “Not later than 6, 8, and 10 years after the date of enactment of this section” and inserting “Not later than June 18, 2019, June 18, 2021, and June 18, 2023”.

SEC. 7602. FUNCTIONS AND DUTIES OF THE UNDER SECRETARY.

Subparagraph (B) of section 251(d)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(d)(2)) is amended to read as follows:

“(B) ensure that agricultural research, education, extension, economics, and statistical programs—

“(i) are effectively coordinated and integrated—

“(I) across disciplines, agencies, and institutions; and

“(II) among applicable participants, grantees, and beneficiaries; and

“(ii) address the priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2));”.

SEC. 7603. REINSTATEMENT OF DISTRICT OF COLUMBIA MATCHING REQUIREMENT FOR CERTAIN LAND-GRANT UNIVERSITY ASSISTANCE.

(a) IN GENERAL.—Section 209(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93–471; sec. 38–1202.09(c), D.C. Official Code) is amended in the first sentence, by striking the period at the end and inserting “, which may be used to pay no more than one-half of the total cost of providing such extension work.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2018.

SEC. 7604. FARMLAND TENURE, TRANSITION, AND ENTRY DATA INITIATIVE.

(a) IN GENERAL.—The Secretary shall collect and report data and analysis on farmland ownership, tenure, transition, and entry of beginning farmers or ranchers.

(b) REQUIREMENTS.—In carrying out subsection (a), the Secretary shall—

(1) collect and distribute comprehensive annual reporting of trends in farmland ownership, tenure, transition, barriers to entry, profitability, and viability of beginning farmers or ranchers; and

(2) develop surveys and report statistical and economic analysis on farmland ownership, tenure, transition, barriers to entry, profitability, and viability of beginning farmers.

(c) FUNDING.—There are authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.

(d) CONFORMING AMENDMENT REGARDING CONFIDENTIALITY OF INFORMATION.—Section 1770(d) of the Food Security Act of 1985 (7 U.S.C. 2276(d)) is amended—

(1) in paragraph (11), by striking “or” at the end;

(2) in paragraph (12), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(13) section 7604 of the Agriculture and Nutrition Act of 2018.”.

SEC. 7605. TRANSFER OF ADMINISTRATIVE JURISDICTION, PORTION OF HENRY A. WALLACE BELTSVILLE AGRICULTURAL RESEARCH CENTER, BELTSVILLE, MARYLAND.

(a) TRANSFER AUTHORIZED.—The Secretary of Agriculture may transfer to the administrative jurisdiction of the Secretary of the Treasury a parcel of real property at the Henry A. Wallace Beltsville Agricultural Research Center consisting of approximately 100 acres, which was originally acquired by the United States through land acquisitions in 1910 and 1925 and is generally located off of Poultry Road lying between Powder Mill Road and Odell Road in Beltsville, Maryland, for the purpose of facilitating the establishment of Bureau of Engraving and Printing facilities on the parcel.

(b) LEGAL DESCRIPTION AND MAP.—

(1) PREPARATION.—The Secretary of Agriculture shall prepare a legal description and map of the parcel of real property to be transferred under subsection (a).

(2) FORCE OF LAW.—The legal description and map prepared under paragraph (1) shall have the same force and effect as if included in this Act, except that the Secretary of Agriculture may correct errors in the legal description and map.

(c) RETENTION OF INTERESTS.—The transfer of administrative jurisdiction under subsection (a) shall be subject to easements and rights of record and such other res-

ervations, terms, and conditions as the Secretary of Agriculture considers to be necessary.

(d) **WAIVER.**—The parcel of real property to be transferred under subsection (a) is exempt from Federal screening for other possible use as there is an identified Federal need for the parcel as the site for Bureau of Engraving and Printing facilities.

(e) **CONDITION ON TRANSFER.**—As a condition of the transfer of administrative jurisdiction under subsection (a), the Secretary of the Treasury shall agree to pay the Secretary of Agriculture the following costs:

- (1) The appraisal required under subsection (f).
- (2) Any environmental or administrative analysis required by Federal law with respect to the real property so transferred.
- (3) Any necessary survey of such real property.
- (4) Any hazardous substances assessment of such real property.

(f) **APPRAISAL.**—To determine the fair market value of the parcel of real property to be transferred under subsection (a), the Secretary of the Treasury shall have the parcel appraised for its highest and best use in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions developed by the Interagency Land Acquisition Conference. The appraisal shall be subject to the review and approval by the Secretary of Agriculture.

(g) **HAZARDOUS MATERIALS.**—For the parcel of real property to be transferred under subsection (a), the Secretary of Agriculture shall meet disclosure requirements for hazardous substances, but shall otherwise not be required to remediate or abate those substances or any other hazardous pollutants, contaminants, or waste that might be present on the parcel at the time of transfer of administrative jurisdiction.

SEC. 7606. SIMPLIFIED PLAN OF WORK.

(a) **SMITH-LEVER ACT.**—The Smith-Lever Act is amended—

- (1) in section 3(h)(2) (7 U.S.C. 343(h)(2)), by striking subparagraph (D); and
- (2) in section 4 (7 U.S.C. 344)—

(A) in subsection (c), by striking paragraphs (1) through (5) and inserting the following new paragraphs:

“(1) A summary of planned projects or programs in the State using formula funds.

“(2) A description of the manner in which the State will meet the requirements of section 3(h).

“(3) A description of the manner in which the State will meet the requirements of section 3(i)(2) of the Hatch Act of 1887.

“(4) A description of matching funds provided by the State with respect to the previous fiscal year.”; and

(B) by adding at the end the following new subsection:

“(f) **RELATIONSHIP TO AUDITS.**—Notwithstanding any other provision of law, the procedures established pursuant to subsection (c) shall not be subject to audit to determine the sufficiency of such procedures.”.

(b) **HATCH ACT.**—The Hatch Act of 1887 is amended—

- (1) in section 3 (7 U.S.C. 361c)—

(A) by amending subsection (h) to read as follows:

“(h) **PEER REVIEW.**—Research carried out under subsection (c)(3) shall be subject to scientific peer review. The review of a project conducted under this subsection shall be considered to satisfy the merit review requirements of section 103(e) of the Agricultural Research, Extension, and Education Reform Act of 1998.”; and

(B) in subsection (i)(2), by striking subparagraph (D); and

- (2) in section 7 (7 U.S.C. 361g)—

(A) in subsection (e), by striking paragraphs (1) through (4) and inserting the following new paragraphs:

“(1) A summary of planned projects or programs in the State using formula funds.

“(2) A description of the manner in which the State will meet the requirements of subsections (c)(3) and (i)(2) of section 3.

“(3) A description of matching funds provided by the State with respect to the previous fiscal year.”; and

(B) by adding at the end the following new subsection:

“(h) **RELATIONSHIP TO AUDITS.**—Notwithstanding any other provision of law, the procedures established pursuant to subsection (e) shall not be subject to audit to determine the sufficiency of such procedures.”.

(c) **EXTENSION AND RESEARCH AT 1890 INSTITUTIONS.**—

- (1) **EXTENSION.**—Section 1444(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(d)) is amended—

(A) in paragraph (3), by striking subparagraphs (A) through (E) and inserting the following new subparagraphs:

“(A) A summary of planned projects or programs in the State using formula funds.

“(B) A description of matching funds provided by the State with respect to the previous fiscal year.”; and

(B) by adding at the end the following new paragraph:

“(6) RELATIONSHIP TO AUDITS.—Notwithstanding any other provision of law, the procedures established pursuant to paragraph (3) shall not be subject to audit to determine the sufficiency of such procedures.”.

(2) RESEARCH.—Section 1445(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(c)) is amended—

(A) in paragraph (3), by striking subparagraphs (A) through (E) and inserting the following new subparagraphs:

“(A) A summary of planned projects or programs in the State using formula funds.

“(B) A description of matching funds provided by the State with respect to the previous fiscal year.”; and

(B) by adding at the end the following new paragraph:

“(6) RELATIONSHIP TO AUDITS.—Notwithstanding any other provision of law, the procedures established pursuant to paragraph (3) shall not be subject to audit to determine the sufficiency of such procedures.”.

SEC. 7607. TIME AND EFFORT REPORTING EXEMPTION.

Any entity receiving funds under a program referred to in clause (iii), (iv), (vii), (viii), or (xii) of section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C)) shall be exempt from the time and effort reporting requirements under part 200 of title 2, Code of Federal Regulations (or successor regulations), with respect to the use of such funds.

SEC. 7608. PUBLIC EDUCATION ON BIOTECHNOLOGY IN FOOD AND AGRICULTURE SECTORS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services, the Secretary of Education, and such other persons and organizations as the Secretary determines to be appropriate, shall develop and carry out a national science-based education campaign to increase public awareness regarding the use of technology in food and agriculture production, including—

(1) the science of biotechnology as applied to the development of products in the food and agricultural sectors, including information about which products of biotechnology in the food and agricultural sectors have been approved for use in the United States;

(2) the Federal science-based regulatory review process for products made using biotechnology in the food and agricultural sectors conducted under the Coordinated Framework for Regulation of Biotechnology published by the Office of Science and Technology Policy in the Federal Register on June 26, 1986 (51 Fed. Reg. 23302), including the studies performed and analyses conducted to ensure that such products are as safe to produce and as safe to eat as products that are not produced using biotechnology;

(3) developments in the science of plant and animal breeding over time and the impacts of such developments on farmers, consumers, the environment, and the rural economy; and

(4) the effects of the use of biotechnology on food security, nutrition, and the environment.

(b) CONSUMER FRIENDLY INFORMATIONAL WEBSITE.—The Secretary, in consultation with the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, the Office of Science and Technology Policy, and such other persons and organizations as the Secretary determines to be appropriate, shall develop, establish, and update as necessary, a single Federal government-sponsored public Internet website through which the public may obtain, in an easy to understand and user-friendly format, information about biotechnology used in the food and agricultural sectors, including—

(1) scientific findings and other data on biotechnology used in the food and agricultural sectors;

(2) Federal agencies' decisions regarding specific products made using biotechnology in the food and agricultural sectors;

(3) a list of frequently asked questions pertaining to the use of biotechnology in the food and agricultural sectors;

(4) an easy-to-understand description of the role of Federal agencies in overseeing the use of biotechnology in the food and agricultural sectors;

(5) information about novel, emerging technologies within the broader field of biotechnology; and

(6) a glossary of terms with respect to biotechnology used in the food and agricultural sectors.

(c) SOCIAL MEDIA RESOURCES.—The Secretary may, as appropriate, utilize publicly-available social media platforms to supplement the campaign established under subsection (a), and as an extension of the website established under subsection (b).

TITLE VIII—FORESTRY

Subtitle A—Reauthorization and Modification of Certain Forestry Programs

SEC. 8101. SUPPORT FOR STATE ASSESSMENTS AND STRATEGIES FOR FOREST RESOURCES.

Section 2A(f)(1) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a(f)(1)) is amended by striking “2018” and inserting “2023”.

SEC. 8102. FOREST LEGACY PROGRAM.

Subsection (m) of section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended to read as follows:

“(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$35,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 8103. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM.

Subsection (g) of section 7A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103d) is amended to read as follows:

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 8104. STATE AND PRIVATE FOREST LANDSCAPE-SCALE RESTORATION PROGRAM.

Section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) is amended to read as follows:

“SEC. 13A. STATE AND PRIVATE FOREST LANDSCAPE-SCALE RESTORATION PROGRAM.

“(a) PURPOSE.—The purpose of this section is to establish a landscape-scale restoration program to support landscape-scale restoration and management that results in measurable improvements to public benefits derived from State and private forest land, as identified in—

“(1) a State-wide assessment described in section 2A(a)(1); and

“(2) a long-term State-wide forest resource strategy described in section 2A(a)(2).

“(b) DEFINITIONS.—In this section:

“(1) PRIVATE FOREST LAND.—The term ‘private forest land’ means land that—

“(A)(i) has existing tree cover; or

“(ii) is suitable for growing trees; and

“(B) is owned by—

“(i) an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)); or

“(ii) any private individual or entity.

“(2) REGIONAL.—The term ‘regional’ means of any region of the National Association of State Foresters.

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Chief of the Forest Service.

“(4) STATE FOREST LAND.—The term ‘State forest land’ means land that is owned by a State or unit of local government.

“(5) STATE FORESTER.—The term ‘State Forester’ means a State Forester or equivalent State official.

“(c) ESTABLISHMENT.—The Secretary, in consultation with State Foresters or other appropriate State agencies, shall establish a landscape-scale restoration program—

“(1) to provide financial and technical assistance for landscape-scale restoration projects on State forest land or private forest land; and

“(2) that maintains or improves benefits from trees and forests on such land.

“(d) REQUIREMENTS.—The landscape-scale restoration program established under subsection (c) shall—

“(1) measurably address the national private forest conservation priorities described in section 2(c);

“(2) enhance public benefits from trees and forests, as identified in—

“(A) a State-wide assessment described in section 2A(a)(1); and

- “(B) a long-term State-wide forest resource strategy described in section 2A(a)(2); and
- “(3) in accordance with the purposes described in section 2(b), include one or more of the following objectives—
 - “(A) protecting or improving water quality or quantity;
 - “(B) reducing wildfire risk, including through hazardous fuels treatment;
 - “(C) protecting or enhancing wildlife habitat, consistent with wildlife objectives established by the applicable State fish and wildlife agency;
 - “(D) improving forest health and forest ecosystems, including addressing native, nonnative, and invasive pests; or
 - “(E) enhancing opportunities for new and existing markets in which the production and use of wood products strengthens local and regional economies.
- “(e) MEASUREMENT.—The Secretary, in consultation with State Foresters, shall establish a measurement system (including measurement tools) that—
 - “(1) consistently measures the results of landscape-scale restoration projects described in subsection (c); and
 - “(2) is consistent with the measurement systems of other Federal programs delivered by State Foresters.
- “(f) USE OF AMOUNTS.—
 - “(1) ALLOCATION.—Of the amounts made available for the landscape-scale restoration program established under subsection (c), the Secretary shall allocate to State Foresters—
 - “(A) 50 percent for the competitive process in accordance with subsection (g); and
 - “(B) 50 percent proportionally to States, in consultation with State Foresters—
 - “(i) to maximize the achievement of the objectives described in subsection (d)(3); and
 - “(ii) to address the highest national priorities, as identified in—
 - “(I) State-wide assessments described in section 2A(a)(1); and
 - “(II) long-term State-wide forest resource strategies described in section 2A(a)(2).
 - “(2) MULTIYEAR PROJECTS.—The Secretary may provide amounts under this section for multiyear projects.
- “(g) COMPETITIVE PROCESS.—
 - “(1) IN GENERAL.—The Secretary shall distribute amounts described in subsection (f)(1)(A) through a competitive process for landscape-scale restoration projects described in subsection (c) to maximize the achievement of the objectives described in subsection (d)(3).
 - “(2) ELIGIBILITY.—To be eligible for funding through the competitive process under paragraph (1), a State Forester, or another entity on approval of the State Forester, shall submit to the Secretary one or more landscape-scale restoration proposals that—
 - “(A) in accordance with paragraph (3)(A), include priorities identified in—
 - “(i) State-wide assessments described in section 2A(a)(1); and
 - “(ii) long-term State-wide forest resource strategies described in section 2A(a)(2);
 - “(B) identify one or more measurable results to be achieved through the project;
 - “(C) to the maximum extent practicable, include activities on all land necessary to accomplish the measurable results in the applicable landscape;
 - “(D) to the maximum extent practicable, are developed in collaboration with other public and private sector organizations and local communities; and
 - “(E) derive not less than 50 percent of the funding for the project from non-Federal sources, unless the Secretary determines—
 - “(i) the applicant is unable to derive not less than 50 percent of the funding for the project from non-Federal sources; and
 - “(ii) the benefits of the project justify pursuing the project.
 - “(3) PRIORITIZATION.—In carrying out the competitive process under paragraph (1), the Secretary—
 - “(A) shall give priority to projects that, as determined by the Secretary, best carry out priorities identified in State-wide assessments described in section 2A(a)(1) and long-term State-wide forest resource strategies described in section 2A(a)(2), including—
 - “(i) involvement of public and private partnerships;
 - “(ii) inclusion of cross-boundary activities on—
 - “(I) Federal forest land;

- “(II) State forest land; or
- “(III) private forest land;
- “(iii) involvement of areas also identified for cost-share funding by the Natural Resources Conservation Service or any other relevant Federal agency;
- “(iv) protection or improvement of water quality or quantity;
- “(v) reduction of wildfire risk; and
- “(vi) otherwise addressing the national private forest conservation priorities described in section 2(c); and
- “(B) may give priority to projects in proximity to other landscape-scale projects on other land under the jurisdiction of the Secretary, the Secretary of the Interior, or a Governor of a State, including—
 - “(i) ecological restoration treatments under the Collaborative Forest Landscape Restoration Program established under section 4003 of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303);
 - “(ii) projects on landscape-scale areas designated for insect and disease treatment under section 602 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591a);
 - “(iii) authorized restoration services under section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a);
 - “(iv) watershed restoration and protection services under section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (Public Law 106–291; 16 U.S.C. 1011 note);
 - “(v) stewardship end result contracting projects under section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c); or
 - “(vi) projects under other relevant programs, as determined by the Secretary.
- “(4) PROPOSAL REVIEW.—
 - “(A) IN GENERAL.—The Secretary shall establish a process for the review of proposals submitted under paragraph (2) that ranks each proposal based on—
 - “(i) the extent to which the proposal would achieve the requirements described in subsection (d); and
 - “(ii) the priorities described in paragraph (3)(A).
 - “(B) REGIONAL REVIEW.—The Secretary may carry out the process described in subparagraph (A) at a regional level.
- “(5) COMPLIANCE WITH NEPA.—Financial and technical assistance carried out under this section for landscape restoration projects on State forest land or private forest land shall not constitute a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).
- “(h) REPORT.—Not later than 3 years after the date of the enactment of the Agriculture and Nutrition Act of 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—
 - “(1) a description of the status of the development, execution, and administration of landscape-scale projects selected under the program under this section;
 - “(2) an accounting of expenditures under such program; and
 - “(3) specific accomplishments that have resulted from landscape-scale projects under such program.
- “(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary for the landscape-scale restoration program established under subsection (c) \$10,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.”.

SEC. 8105. RURAL REVITALIZATION TECHNOLOGIES.

Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking “2018” and inserting “2023”.

SEC. 8106. COMMUNITY WOOD ENERGY AND WOOD INNOVATION PROGRAM.

Section 9013 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113) is amended to read as follows:

“SEC. 9013. COMMUNITY WOOD ENERGY AND WOOD INNOVATION PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) COMMUNITY WOOD ENERGY SYSTEM.—

“(A) IN GENERAL.—The term ‘community wood energy system’ means an energy system that—

“(i) produces thermal energy or combined thermal energy and electricity where thermal is the primary energy output;

“(ii) services public facilities owned or operated by State or local governments (including schools, town halls, libraries, and other public buildings) or private or nonprofit facilities (including commercial and business facilities, such as hospitals, office buildings, apartment buildings, and manufacturing and industrial buildings); and

“(iii) uses woody biomass, including residuals from wood processing facilities, as the primary fuel.

“(B) INCLUSIONS.—The term ‘community wood energy system’ includes single-facility central heating, district heating systems serving multiple buildings, combined heat and electric systems where thermal energy is the primary energy output, and other related biomass energy systems.

“(2) INNOVATIVE WOOD PRODUCT FACILITY.—The term ‘innovative wood product facility’ means a manufacturing or processing plant or mill that produces—

“(A) building components or systems that use large panelized wood construction, including mass timber;

“(B) wood products derived from nanotechnology or other new technology processes, as determined by the Secretary; or

“(C) other innovative wood products that use low-value, low-quality wood, as determined by the Secretary.

“(3) MASS TIMBER.—The term ‘mass timber’ includes—

“(A) cross-laminated timber;

“(B) nail-laminated timber;

“(C) glue-laminated timber;

“(D) laminated strand lumber; and

“(E) laminated veneer lumber.

“(4) PROGRAM.—The term ‘Program’ means the Community Wood Energy and Wood Innovation Program established under subsection (b).

“(b) COMPETITIVE GRANT PROGRAM.—The Secretary, acting through the Chief of the Forest Service, shall establish a competitive grant program to be known as the ‘Community Wood Energy and Wood Innovation Program’.

“(c) MATCHING GRANTS.—

“(1) IN GENERAL.—Under the Program, the Secretary shall make grants to cover not more than 35 percent of the capital cost for installing a community wood energy system or building an innovative wood product facility.

“(2) SPECIAL CIRCUMSTANCES.—The Secretary may establish special circumstances, such as in the case of a community wood energy system project or innovative wood product facility project involving a school or hospital in a low-income community, under which grants under the Program may cover up to 50 percent of the capital cost.

“(3) SOURCE OF MATCHING FUNDS.—Matching funds required pursuant to this subsection from a grant recipient must be derived from non-Federal funds.

“(d) PROJECT CAP.—The total amount of grants under the Program for a community wood energy system project or innovative wood product facility project may not exceed—

“(1) in the case of grants under the general authority provided under subsection (c)(1), \$1,000,000; and

“(2) in the case of grants for which the special circumstances apply under subsection (c)(2), \$1,500,000.

“(e) SELECTION CRITERIA.—In selecting applicants for grants under the Program, the Secretary shall consider the following:

“(1) The energy efficiency of the proposed community wood energy system or innovative wood product facility.

“(2) The cost effectiveness of the proposed community wood energy system or innovative wood product facility.

“(3) The extent to which the proposed community wood energy system or innovative wood product facility represents the best available commercial technology.

“(4) The extent to which the applicant has demonstrated a high likelihood of project success by completing detailed engineering and design work in advance of the grant application.

“(5) Other technical, economic, conservation, and environmental criteria that the Secretary considers appropriate.

“(f) GRANT PRIORITIES.—In selecting applicants for grants under the Program, the Secretary shall give priority to proposals that—

“(1) would be carried out in a location where markets are needed for the low-value, low-quality wood;

“(2) would be carried out in a location with limited access to natural gas pipelines;

“(3) would include the use or retrofitting (or both) of existing sawmill facilities located in a location where the average annual unemployment rate exceeded the national average unemployment rate by more than 1 percent during the previous calendar year; or

“(4) would be carried out in a location where the project will aid with forest restoration.

“(g) LIMITATIONS.—

“(1) CAPACITY OF COMMUNITY WOOD ENERGY SYSTEMS.—A community wood energy system acquired with grant funds under the Program shall not exceed nameplate capacity of 10 megawatts of thermal energy or combined thermal and electric energy.

“(2) FUNDING FOR INNOVATIVE WOOD PRODUCT FACILITIES.—Not more than 25 percent of funds provided as grants under the Program for a fiscal year may go to applicants proposing innovative wood product facilities, unless the Secretary has received an insufficient number of qualified proposals for community wood energy systems.

“(h) FUNDING.—There is authorized to be appropriated to carry out the Program \$25,000,000 for each of fiscal years 2019 through 2023.”.

SEC. 8107. HEALTHY FORESTS RESTORATION ACT OF 2003 AMENDMENTS.

(a) HEALTHY FORESTS RESERVE PROGRAM.—

(1) ADDITIONAL PURPOSE OF PROGRAM.—Section 501(a) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571(a)) is amended—

(A) by striking “and” at the end of paragraph (2);

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph:

“(3) to conserve forest land that provides habitat for species described in section 502(b)(1); and”.

(2) ELIGIBILITY FOR ENROLLMENT.—Subsection (b) of section 502 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6572) is amended to read as follows:

“(b) ELIGIBILITY.—To be eligible for enrollment in the healthy forests reserve program, land shall be private forest land, or private land being restored to forest land, the enrollment of which will maintain, restore, enhance, or otherwise measurably—

“(1) increase the likelihood of recovery of a species that is listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); or

“(2) improve the well-being of a species that—

“(A) is—

“(i) not listed as endangered or threatened under such section; and

“(ii) a candidate for such listing, a State-listed species, or a special concern species; or

“(B) is deemed a species of greatest conservation need by a State wildlife action plan.”.

(3) OTHER ENROLLMENT CONSIDERATIONS.—Section 502(c) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6572(c)) is amended—

(A) by striking “and” at the end of paragraph (1);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

“(2) conserve forest lands that provide habitat for species described in subsection (b)(1); and”.

(4) ELIMINATION OF LIMITATION ON USE OF EASEMENTS.—Section 502(e) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6572(e)) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(5) ENROLLMENT OF ACREAGE OWNED BY AN INDIAN TRIBE.—Section 502(e)(2)(B) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6572(e)(3)(B)), as redesignated under paragraph (4), is amended by striking clauses (ii) and (iii) and inserting the following new clauses:

“(ii) a 10-year, cost-share agreement;

“(iii) a permanent easement; or

“(iv) any combination of the options described in clauses (i) through (iii).”.

(6) SPECIES-RELATED ENROLLMENT PRIORITY.—Subparagraph (B) of section 502(f)(1) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6572(f)(1)) is amended to read as follows:

“(B) secondarily, species that—

“(i) are—

“(I) not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

“(II) candidates for such listing, State-listed species, or special concern species; or
 “(ii) are species of greatest conservation need, as identified in State wildlife action plans.”.

(7) RESTORATION PLANS.—Subsection (b) of section 503 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6573) is amended to read as follows:
 “(b) PRACTICES.—The restoration plan shall require such restoration practices and measures, as are necessary to restore and enhance habitat for species described in section 502(b), including the following:

- “(1) Land management practices.
- “(2) Vegetative treatments.
- “(3) Structural practices and measures.
- “(4) Other practices and measures.”.

(8) FUNDING.—Section 508(b) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578(b)) is amended—

(A) in the subsection heading, by striking “FISCAL YEARS 2014 THROUGH 2018” and inserting “AUTHORIZATION OF APPROPRIATIONS”; and
 (B) by striking “2018” and inserting “2023”.

(9) TECHNICAL CORRECTION.—Section 503(a) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6573(a)) is amended by striking “Secretary of Interior” and inserting “Secretary of the Interior”.

(b) INSECT AND DISEASE INFESTATION.—

(1) TREATMENT OF AREAS.—Section 602(d)(1) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591a(d)(1)) is amended by striking “subsection (b) to reduce the risk or extent of, or increase the resilience to, insect or disease infestation in the areas.” and inserting the following: “subsection (b)—

- “(A) to reduce the risk or extent of, or increase the resilience to, insect or disease infestation; or
- “(B) to reduce hazardous fuels.”.

(2) PERMANENT AUTHORITY.—Section 602(d)(2) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591a(d)(2)) is amended by striking “for which a public notice to initiate scoping is issued on or before September 30, 2018,”.

(c) ADMINISTRATIVE REVIEW.—

(1) CLARIFICATION OF TREATMENT OF AREAS.—Section 603(a) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591b(a)) is amended by striking “in accordance with section 602(d)” and inserting “in accordance with section 602(d)(1)”.

(2) PROJECT SIZE AND LOCATION.—Section 603(c)(1) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591b(c)(1)) is amended by striking “3000” and inserting “6,000”.

SEC. 8108. NATIONAL FOREST FOUNDATION ACT AUTHORITIES.

(a) EXTENSION OF AUTHORITY TO PROVIDE MATCHING FUNDS FOR ADMINISTRATIVE AND PROJECT EXPENSES.—Section 405(b) of the National Forest Foundation Act (16 U.S.C. 583j-3(b)) is amended by striking “2018” and inserting “2023”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 410(b) of the National Forest Foundation Act (16 U.S.C. 583j-8(b)) is amended by striking “2018” and inserting “2023”.

Subtitle B—Secure Rural Schools and Community Self-Determination Act of 2000 Amendments

SEC. 8201. USE OF RESERVED FUNDS FOR TITLE II PROJECTS ON FEDERAL LAND AND CERTAIN NON-FEDERAL LAND.

Section 204(f) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7124(f)) is amended to read as follows:

“(f) REQUIREMENTS FOR PROJECT FUNDS.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary concerned shall ensure that at least 50 percent of the project funds reserved under section 102(d) by a participating county shall be available only for projects that—

- “(A) include—
 - “(i) the sale of timber or other forest products;
 - “(ii) reduce fire risks; or
 - “(iii) improve water supplies; and

“(B) implement stewardship objectives that enhance forest ecosystems or restore and improve land health and water quality.

“(2) APPLICABILITY.—The requirement in paragraph (1) shall apply only to project funds reserved by a participating county whose boundaries include Fed-

eral land that the Secretary concerned determines has been subject to a timber or other forest products program within 5 fiscal years before the fiscal year in which the funds are reserved.”.

SEC. 8202. RESOURCE ADVISORY COMMITTEES.

(a) **RECOGNITION OF RESOURCE ADVISORY COMMITTEES.**—Section 205(a)(4) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(a)(4)) is amended by striking “2018” each place it appears and inserting “2023”.

(b) **REDUCTION IN COMPOSITION OF COMMITTEES.**—Section 205(d) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(d)) is amended—

(1) in paragraph (1), by striking “15 members” and inserting “9 members”; and

(2) by striking “5 persons” each place it appears and inserting “3 persons”.

(c) **EXPANDING LOCAL PARTICIPATION ON COMMITTEES.**—Section 205(d) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(d)) is further amended—

(1) in paragraph (3), by inserting before the period at the end the following: “, consistent with the requirements of paragraph (4)”; and

(2) by striking paragraph (4) and inserting the following new paragraph:

“(4) **GEOGRAPHIC DISTRIBUTION.**—The members of a resource advisory committee shall reside within the county or counties in which the committee has jurisdiction, or an adjacent county.”.

(d) **APPOINTMENT OF RESOURCE ADVISORY COMMITTEES BY APPLICABLE DESIGNEE.**—

(1) **IN GENERAL.**—Section 205 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125) is further amended—

(A) in subsection (a)—

(i) in paragraph (1), by inserting “(or applicable designee)” after “The Secretary concerned”;

(ii) in paragraph (3), by inserting “(or applicable designee)” after “the Secretary concerned”; and

(iii) in paragraph (4), by inserting “(or applicable designee)” after “the Secretary concerned” both places it appears;

(B) in subsection (b)(6), by inserting “(or applicable designee)” after “the Secretary concerned”;

(C) in subsection (c)—

(i) in the subsection heading, by inserting “OR APPLICABLE DESIGNEE” after “BY THE SECRETARY”;

(ii) in paragraph (1), by inserting “(or applicable designee)” after “The Secretary concerned” both places it appears;

(iii) in paragraph (2), by inserting “(or applicable designee)” after “The Secretary concerned”;

(iv) in paragraph (4), by inserting “(or applicable designee)” after “The Secretary concerned”; and

(v) by adding at the end the following new paragraph:

“(6) **APPLICABLE DESIGNEE.**—In this section, the term ‘applicable designee’ means—

“(A) with respect to Federal land described in section 3(7)(A), the applicable Regional Forester; and

“(B) with respect to Federal land described in section 3(7)(B), the applicable Bureau of Land Management State Director.”;

(D) in subsection (d)(3), by inserting “(or applicable designee)” after “the Secretary concerned”; and

(E) in subsection (f)(1)—

(i) by inserting “(or applicable designee)” after “the Secretary concerned”; and

(ii) by inserting “(or applicable designee)” after “of the Secretary”.

(2) **CONFORMING AMENDMENT.**—Section 201(3) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7121(3)) is amended by inserting “(or applicable designee (as defined in section 205(c)(6)))” after “Secretary concerned” both places it appears.

SEC. 8203. PROGRAM FOR TITLE II SELF-SUSTAINING RESOURCE ADVISORY COMMITTEE PROJECTS.

(a) **SELF-SUSTAINING RESOURCE ADVISORY COMMITTEE PROJECTS.**—Title II of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7121 et seq.) is amended by adding at the end the following new section:

“SEC. 209. PROGRAM FOR SELF-SUSTAINING RESOURCE ADVISORY COMMITTEE PROJECTS.

“(a) RAC PROGRAM.—The Chief of the Forest Service shall conduct a program (to be known as the ‘self-sustaining resource advisory committee program’ or ‘RAC program’) under which 10 resource advisory committees will propose projects authorized by subsection (c) to be carried out using project funds reserved by a participating county under section 102(d).

“(b) SELECTION OF PARTICIPATING RESOURCE ADVISORY COMMITTEES.—The selection of resource advisory committees to participate in the RAC program is in the sole discretion of the Chief of the Forest Service.

“(c) AUTHORIZED PROJECTS.—Notwithstanding the project purposes specified in sections 202(b), 203(c), and 204(a)(5), projects under the RAC program are intended to—

“(1) accomplish forest management objectives or support community development; and

“(2) generate receipts.

“(d) DEPOSIT AND AVAILABILITY OF REVENUES.—Any revenue generated by a project conducted under the RAC program, including any interest accrued from the revenues, shall be—

“(1) deposited in the special account in the Treasury established under section 102(d)(2)(A); and

“(2) available, in such amounts as may be provided in advance in appropriation Acts, for additional projects under the RAC program.

“(e) TERMINATION OF AUTHORITY.—

“(1) IN GENERAL.—The authority to initiate a project under the RAC program shall terminate on September 30, 2023.

“(2) DEPOSITS IN TREASURY.—Any funds available for projects under the RAC program and not obligated by September 30, 2024, shall be deposited in the Treasury of the United States.”.

(b) EXCEPTION TO GENERAL RULE REGARDING TREATMENT OF RECEIPTS.—Section 403(b) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7153(b)) is amended by striking “All revenues” and inserting “Except as provided in section 209, all revenues”.

Subtitle C—Availability of Categorical Exclusions To Expedite Forest Management Activities

PART I—GENERAL PROVISIONS

SEC. 8301. DEFINITIONS.

In this subtitle:

(1) CATASTROPHIC EVENT.—The term “catastrophic event” means any natural disaster (such as hurricane, tornado, windstorm, snow or ice storm, rain storm, high water, wind-driven water, tidal wave, earthquake, volcanic eruption, landslide, mudslide, drought, or insect or disease outbreak) or any fire, flood, or explosion, regardless of cause.

(2) COOS BAY WAGON ROAD GRANT LANDS.—The term “Coos Bay Wagon Road Grant lands” means the lands reconveyed to the United States pursuant to the first section of the Act of February 26, 1919 (40 Stat. 1179).

(3) FOREST MANAGEMENT ACTIVITY.—The term “forest management activity” means a project or activity carried out by the Secretary concerned on National Forest System lands or public lands consistent with the forest plan covering the lands.

(4) FOREST PLAN.—The term “forest plan” means—

(A) a land use plan prepared by the Bureau of Land Management for public lands pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712); or

(B) a land and resource management plan prepared by the Forest Service for a unit of the National Forest System pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(5) NATIONAL FOREST SYSTEM.—The term “National Forest System” has the meaning given that term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

(6) OREGON AND CALIFORNIA RAILROAD GRANT LANDS.—The term “Oregon and California Railroad Grant lands” means the following lands:

(A) All lands in the State of Oregon vested in the United States under the Act of June 9, 1916 (39 Stat. 218), that are administered by the Sec-

retary of the Interior, acting through the Bureau of Land Management, pursuant to the first section of the Act of August 28, 1937 (43 U.S.C. 1181a).

(B) All lands in that State obtained by the Secretary of the Interior pursuant to the land exchanges authorized and directed by section 2 of the Act of June 24, 1954 (43 U.S.C. 1181h).

(C) All lands in that State acquired by the United States at any time and made subject to the provisions of title II of the Act of August 28, 1937 (43 U.S.C. 1181f).

(7) PUBLIC LANDS.—The term “public lands” has the meaning given that term in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702), except that the term includes Coos Bay Wagon Road Grant lands and Oregon and California Railroad Grant lands.

(8) REFORESTATION ACTIVITY.—The term “reforestation activity” means a forest management activity carried out by the Secretary concerned where the primary purpose is the reforestation of impacted lands following a catastrophic event. The term includes planting, evaluating and enhancing natural regeneration, clearing competing vegetation, and other activities related to reestablishment of forest species on the impacted lands.

(9) RESOURCE ADVISORY COMMITTEE.—The term “resource advisory committee” has the meaning given that term in section 201 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7121).

(10) SALVAGE OPERATION.—The term “salvage operation” means a forest management activity carried out in response to a catastrophic event where the primary purpose is—

(A) to prevent wildfire as a result of the catastrophic event, or, if the catastrophic event was wildfire, to prevent a re-burn of the fire-impacted area;

(B) to provide an opportunity for utilization of forest materials damaged as a result of the catastrophic event; or

(C) to provide a funding source for reforestation for the National Forest System lands or public lands impacted by the catastrophic event.

(11) SECRETARY CONCERNED.—The term “Secretary concerned” means—

(A) the Secretary of Agriculture, with respect to National Forest System lands; and

(B) the Secretary of the Interior, with respect to public lands.

SEC. 8302. RULE OF APPLICATION FOR NATIONAL FOREST SYSTEM LANDS AND PUBLIC LANDS.

Unless specifically provided by a provision of this subtitle, the authorities provided by this subtitle do not apply with respect to any National Forest System lands or public lands—

(1) that are included in the National Wilderness Preservation System;

(2) that are located within a national or State-specific inventoried roadless area established by the Secretary of Agriculture through regulation, unless—

(A) the forest management activity to be carried out under such authority is consistent with the forest plan applicable to the area; or

(B) the Secretary of Agriculture determines the forest management activity is permissible under the applicable roadless rule governing such lands; or

(3) on which timber harvesting for any purpose is prohibited by Federal statute.

SEC. 8303. CONSULTATION UNDER THE ENDANGERED SPECIES ACT.

(a) NO CONSULTATION IF ACTION NOT LIKELY TO ADVERSELY AFFECT A LISTED SPECIES OR DESIGNATED CRITICAL HABITAT.—With respect to a forest management activity carried out pursuant to this subtitle, consultation under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) shall not be required if the Secretary concerned determines that such forest management activity is not likely to adversely affect a listed species or designated critical habitat.

(b) EXPEDITED CONSULTATION.—With respect to a forest management activity carried out pursuant to this subtitle, consultation required under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) shall be concluded within the 90-day period beginning on the date on which such consultation was requested by the Secretary concerned.

SEC. 8304. SECRETARIAL DISCRETION IN THE CASE OF TWO OR MORE CATEGORICAL EXCLUSIONS.

To the extent that a forest management activity may be categorically excluded under more than one of the sections of this subtitle, the Secretary concerned shall have full discretion to determine which categorical exclusion to use.

PART II—CATEGORICAL EXCLUSIONS

SEC. 8311. CATEGORICAL EXCLUSION TO EXPEDITE CERTAIN CRITICAL RESPONSE ACTIONS.

(a) **CATEGORICAL EXCLUSION ESTABLISHED.**—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) **FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.**—The category of forest management activities designated under this section for a categorical exclusion are forest management activities carried out by the Secretary concerned on National Forest System lands or public lands where the primary purpose of such activity is—

- (1) to address an insect or disease infestation;
- (2) to reduce hazardous fuel loads;
- (3) to protect a municipal water source;
- (4) to maintain, enhance, or modify critical habitat to protect it from catastrophic disturbances;
- (5) to increase water yield; or
- (6) any combination of the purposes specified in paragraphs (1) through (5).

(c) **AVAILABILITY OF CATEGORICAL EXCLUSION.**—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) **ACREAGE LIMITATIONS.**—A forest management activity covered by the categorical exclusion established under subsection (a) may not contain treatment units exceeding a total of 6,000 acres.

SEC. 8312. CATEGORICAL EXCLUSION TO EXPEDITE SALVAGE OPERATIONS IN RESPONSE TO CATASTROPHIC EVENTS.

(a) **CATEGORICAL EXCLUSION ESTABLISHED.**—Salvage operations carried out by the Secretary concerned on National Forest System lands or public lands are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) **AVAILABILITY OF CATEGORICAL EXCLUSION.**—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

(c) **ACREAGE LIMITATION.**—A salvage operation covered by the categorical exclusion established under subsection (a) may not contain treatment units exceeding a total of 6,000 acres.

(d) **ADDITIONAL REQUIREMENTS.**—

(1) **STREAM BUFFERS.**—A salvage operation covered by the categorical exclusion established under subsection (a) shall comply with the standards and guidelines for stream buffers contained in the applicable forest plan, except that the Regional Forester, in the case of National Forest System lands, or the State Director of the Bureau of Land Management, in the case of public lands, may, on a case-by-case basis, waive the standards and guidelines.

(2) **REFORESTATION PLAN.**—A reforestation plan shall be developed under section 3 of the Act of June 9, 1930 (commonly known as the Knutson-Vandenberg Act; 16 U.S.C. 576b), as part of a salvage operation covered by the categorical exclusion established under subsection (a).

SEC. 8313. CATEGORICAL EXCLUSION TO MEET FOREST PLAN GOALS FOR EARLY SUCCESSIONAL FORESTS.

(a) **CATEGORICAL EXCLUSION ESTABLISHED.**—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) **FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.**—The category of forest management activities designated under this section for a categorical exclusion are forest management activities carried out by the Secretary concerned on National Forest System lands or public lands where the primary purpose of such activity is to improve, enhance, or create early successional forests for wildlife habitat improvement and other purposes, consistent with the applicable forest plan.

(c) **AVAILABILITY OF CATEGORICAL EXCLUSION.**—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) **PROJECT GOALS.**—To the maximum extent practicable, the Secretary concerned shall design a forest management activity under this section to meet early successional forest goals in such a manner so as to maximize production and regeneration of priority species, as identified in the forest plan and consistent with the capability of the activity site.

(e) **ACREAGE LIMITATIONS.**—A forest management activity covered by the categorical exclusion established under subsection (a) may not contain treatment units exceeding a total of 6,000 acres.

SEC. 8314. CATEGORICAL EXCLUSION FOR HAZARD TREES.

(a) **CATEGORICAL EXCLUSION ESTABLISHED.**—Forest management activities carried out by the Secretary concerned to remove hazard trees for purposes of the protection of public health or safety, water supply, or public infrastructure are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) **AVAILABILITY OF CATEGORICAL EXCLUSION.**—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

SEC. 8315. CATEGORICAL EXCLUSION TO IMPROVE OR RESTORE NATIONAL FOREST SYSTEM LANDS OR PUBLIC LAND OR REDUCE THE RISK OF WILDFIRE.

(a) **CATEGORICAL EXCLUSION ESTABLISHED.**—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) **FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.**—

(1) **DESIGNATION.**—The category of forest management activities designated under this section for a categorical exclusion are forest management activities described in paragraph (2) that are carried out by the Secretary concerned on National Forest System lands or public lands where the primary purpose of such activity is to improve or restore such lands or reduce the risk of wildfire on those lands.

(2) **ACTIVITIES AUTHORIZED.**—The following forest management activities may be carried out pursuant to the categorical exclusion established under subsection (a):

(A) Removal of juniper trees, medusahead rye, conifer trees, piñon pine trees, cheatgrass, and other noxious or invasive weeds specified on Federal or State noxious weeds lists through late-season livestock grazing, targeted livestock grazing, prescribed burns, and mechanical treatments.

(B) Performance of hazardous fuels management.

(C) Creation of fuel and fire breaks.

(D) Modification of existing fences in order to distribute livestock and help improve wildlife habitat.

(E) Stream restoration and erosion control, including the installation of erosion control devices.

(F) Construction of new and maintenance of permanent infrastructure, including stock ponds, water catchments, and water spring boxes used to benefit livestock and improve wildlife habitat.

(G) Performance of soil treatments, native and non-native seeding, and planting of and transplanting sagebrush, grass, forb, shrub, and other species.

(H) Use of herbicides, so long as the Secretary concerned determines that the activity is otherwise conducted consistently with agency procedures, including any forest plan applicable to the area covered by the activity.

(c) **AVAILABILITY OF CATEGORICAL EXCLUSION.**—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) **ACREAGE LIMITATIONS.**—A forest management activity covered by the categorical exclusion established under subsection (a) may not contain treatment units exceeding a total of 6,000 acres.

(e) **DEFINITIONS.**—In this section:

(1) **HAZARDOUS FUELS MANAGEMENT.**—The term “hazardous fuels management” means any vegetation management activities that reduce the risk of wildfire.

(2) **LATE-SEASON GRAZING.**—The term “late-season grazing” means grazing activities that occur after both the invasive species and native perennial species have completed their current-year annual growth cycle until new plant growth begins to appear in the following year.

(3) TARGETED LIVESTOCK GRAZING.—The term “targeted livestock grazing” means grazing used for purposes of hazardous fuels management.

SEC. 8316. CATEGORICAL EXCLUSION FOR FOREST RESTORATION.

(a) CATEGORICAL EXCLUSION ESTABLISHED.—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.—

(1) DESIGNATION.—The category of forest management activities designated under this section for categorical exclusion are forest management activities described in paragraph (2) that are carried out by the Secretary concerned on National Forest System lands or public lands where the primary purpose of such activity is—

- (A) to improve forest health and resiliency to disturbances;
- (B) to reduce hazardous fuels; or
- (C) to improve wildlife and aquatic habitat.

(2) ACTIVITIES AUTHORIZED.—The following forest management activities may be carried out pursuant the categorical exclusion established under subsection

(a):

- (A) Timber harvests, including commercial and pre-commercial timber harvest, salvage harvest, and regeneration harvest.
- (B) Hazardous fuels reduction.
- (C) Prescribed burning.
- (D) Improvement or establishment of wildlife and aquatic habitat.
- (E) Stream restoration and erosion control.
- (F) Road and trail decommissioning.

(c) AVAILABILITY OF CATEGORICAL EXCLUSION.—On and after the date of the enactment of this Act, the Secretary concerned may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) ACREAGE LIMITATIONS.—A forest management activity covered by the categorical exclusion established under subsection (a) may not contain treatment units exceeding a total of 6,000 acres.

(e) LIMITATIONS ON ROAD BUILDING.—

(1) PERMANENT ROADS.—A forest management activity covered by the categorical exclusion established by subsection (a) may include—

- (A) the construction of permanent roads not to exceed 3 miles; and
- (B) the maintenance and reconstruction of existing permanent roads and trails, including the relocation of segments of existing roads and trails to address resource impacts.

(2) TEMPORARY ROADS.—Any temporary road constructed for a forest management activity covered by the categorical exclusion established by subsection (a) shall be decommissioned not later than 3 years after the date on which the project is completed.

SEC. 8317. CATEGORICAL EXCLUSION FOR INFRASTRUCTURE FOREST MANAGEMENT ACTIVITIES.

(a) CATEGORICAL EXCLUSION ESTABLISHED.—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.—The category of forest management activities designated under this section for categorical exclusion are forest management activities carried out by the Secretary of Agriculture on National Forest System lands where the primary purpose of such activity is—

- (1) constructing, reconstructing, or decommissioning National Forest System roads not exceeding 3 miles;
- (2) adding an existing road to the forest transportation system;
- (3) reclassifying a National Forest System road at a different maintenance level;
- (4) reconstructing, rehabilitating, or decommissioning bridges;
- (5) removing dams; or
- (6) maintaining facilities through the use of pesticides as authorized by applicable Federal and State law and as applied in accordance with label instructions.

(c) AVAILABILITY OF CATEGORICAL EXCLUSION.—On and after the date of the enactment of this Act, the Secretary of Agriculture may use the categorical exclusion established under subsection (a) in accordance with this section.

SEC. 8318. CATEGORICAL EXCLUSION FOR DEVELOPED RECREATION SITES.

(a) CATEGORICAL EXCLUSION ESTABLISHED.—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.—

(1) DESIGNATION.—The category of forest management activities designated under this section for a categorical exclusion are forest management activities described in paragraph (2) carried out by the Secretary of Agriculture on National Forest System lands where the primary purpose of such activity is to operate, maintain, modify, reconstruct, or decommission existing developed recreation sites.

(2) ACTIVITIES AUTHORIZED.—The following forest management activities may be carried out pursuant to the categorical exclusion under subsection (a):

(A) Constructing, modifying, or reconstructing toilet or shower facilities.

(B) Constructing, modifying, or reconstructing fishing piers, wildlife viewing platforms, docks, or other constructed recreation sites or facilities.

(C) Constructing, reconstructing, or maintaining, parking areas, National Forest System roads, or National Forest System trails within or connecting to recreation sites, including paving and road and trail rerouting, except that—

(i) permanent roads constructed under this section may not exceed 3 miles; and

(ii) temporary roads constructed for projects covered by this section shall be decommissioned within 3 years of completion of the project.

(D) Modifying or reconstructing existing water or waste disposal systems.

(E) Constructing, modifying, or reconstructing single or group use sites.

(F) Decommissioning recreation facilities or portions of recreation facilities.

(G) Decommissioning National Forest System roads or National Forest System trails not exceeding 3 miles within or connecting to developed recreation sites.

(H) Constructing, modifying, or reconstructing boat landings.

(I) Reconstructing existing ski lifts.

(K) Modifying or reconstructing a recreation lodging rental.

(c) AVAILABILITY OF CATEGORICAL EXCLUSION.—On and after the date of the enactment of this Act, the Secretary of Agriculture may use the categorical exclusion established under subsection (a) in accordance with this section.

SEC. 8319. CATEGORICAL EXCLUSION FOR ADMINISTRATIVE SITES.

(a) CATEGORICAL EXCLUSION ESTABLISHED.—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.—The category of forest management activities designated under this section for a categorical exclusion are forest management activities carried out by the Secretary of Agriculture on National Forest System lands where the primary purpose of such activity is to construct, reconstruct, maintain, decommission, relocate, or dispose of an administrative site.

(c) AVAILABILITY OF CATEGORICAL EXCLUSION.—On and after the date of the enactment of this Act, the Secretary of Agriculture may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) LIMITATIONS.—

(1) PERMANENT ROADS.—A project covered by the categorical exclusion established by subsection (a) may include—

(A) the construction of permanent roads not to exceed 3 miles; and

(B) the maintenance and reconstruction of existing permanent roads and trails, including the relocation of segments of existing roads and trails to address resource impacts.

(2) TEMPORARY ROADS.—Any temporary road constructed for a project covered by the categorical exclusion established by subsection (a) shall be decommissioned not later than 3 years after the date on which the project is completed.

(3) PESTICIDES.—Pesticides may only be used to carry out a project covered by the categorical exclusion established by subsection (a) as authorized by applicable Federal and State law and as applied in accordance with label instructions.

(e) DEFINITION OF ADMINISTRATIVE SITE.—In this section, the term “administrative site” has the meaning given the term in section 502(1) of the Forest Service Facility Realignment and Enhancement Act of 2005 (16 U.S.C. 580d note).

SEC. 8320. CATEGORICAL EXCLUSION FOR SPECIAL USE AUTHORIZATIONS.

(a) CATEGORICAL EXCLUSION ESTABLISHED.—Forest management activities described in subsection (b) are a category of actions hereby designated as being categorically excluded from the preparation of an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

(b) FOREST MANAGEMENT ACTIVITIES DESIGNATED FOR CATEGORICAL EXCLUSION.—The category of forest management activities designated under this section for a categorical exclusion are forest management activities carried out by the Secretary of Agriculture on National Forest System lands where the primary purpose of such activity is:

(1) Issuance of a new special use authorization for an existing or expired special use authorization, without any substantial change in the scope and scale of the authorized use and occupancy when—

(A) the issuance is a purely ministerial action to account for administrative changes, such as a change in ownership or expiration of the current authorization; and

(B) the applicant or holder is in compliance with the terms and conditions of the existing or expired special use authorization.

(2) Modification, removal, repair, maintenance, reconstruction, or replacement of a facility or improvement for an existing special use authorization.

(3) Issuance of a new special use authorization or amendment to an existing special use authorization for activities that will occur on existing roads, trails, facilities, or areas approved for use in a land management plan or other documented decision.

(4) Approval, modification, or continuation of minor, short-term (5 years or less) special uses of National Forest System lands or public lands.

(5) Issuance of a special use authorization for an existing unauthorized use or occupancy that has not been deemed in trespass where no new ground disturbance is proposed.

(6) Approval or modification of minor special uses of National Forest System lands or public lands that require less than 20 contiguous acres.

(7) Approval of vegetative management plans, and vegetation management activities in accordance with an approved vegetation management plan, under a special use authorization for an electric transmission and distribution facility right-of-way.

(c) AVAILABILITY OF EXCLUSION.—On and after the date of the enactment of this Act, the Secretary of Agriculture may use the categorical exclusion established under subsection (a) in accordance with this section.

(d) DOCUMENT REQUIREMENTS.—The Secretary of Agriculture shall not be required to prepare a project file or decision memorandum to categorically exclude a forest management activity described under paragraphs (1) through (4) of subsection (b).

SEC. 8321. CLARIFICATION OF EXISTING CATEGORICAL EXCLUSION AUTHORITY RELATED TO INSECT AND DISEASE INFESTATION.

Section 603(c)(2)(B) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591b(c)(2)(B)) is amended by striking “Fire Regime Groups I, II, or III” and inserting “Fire Regime I, Fire Regime II, Fire Regime III, Fire Regime IV, or Fire Regime V”.

PART III—MISCELLANEOUS FOREST MANAGEMENT ACTIVITIES

SEC. 8331. GOOD NEIGHBOR AGREEMENTS.

Section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(B), by striking “Secretary or a Governor” and inserting “Secretary, Governor, or Indian Tribe”;

(B) in paragraph (4) by striking “Secretary and a Governor” and inserting “Secretary and either a Governor or an Indian Tribe”;

(C) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(D) by inserting after paragraph (5) the following new paragraph:

“(6) INDIAN TRIBE.—The term ‘Indian Tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304);”;

(2) in subsection (b)—

(A) in paragraph (1)(A), by inserting “or an Indian Tribe” after “Governor”; and

(B) in paragraph (3), by inserting “or an Indian Tribe” after “Governor”.

SEC. 8332. PROMOTING CROSS-BOUNDARY WILDFIRE MITIGATION.

Section 103 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6513) is amended—

(1) in subsection (d), by adding at the end the following new paragraph:

“(3) CROSS-BOUNDARY CONSIDERATIONS.—For any fiscal year for which the amount appropriated to the Secretary for hazardous fuels reduction is in excess of \$300,000,000, the Secretary—

“(A) is encouraged to use the excess amounts for hazardous fuels reduction projects that incorporate cross-boundary treatments of landscapes on Federal land and non-Federal land; and

“(B) may use the excess amounts to support authorized hazardous fuels reduction projects on non-Federal lands through grants to State Foresters, or equivalent State officials, in accordance with subsection (e) in an amount equal to the greater of—

“(i) 20 percent of the excess amount; and

“(ii) \$20,000,000.”; and

(2) by adding at the end the following new subsection:

“(e) CROSS-BOUNDARY FUELS REDUCTION PROJECTS.—

“(1) IN GENERAL.—To the maximum extent practicable, the Secretary shall use the excess funds described in subsection (d)(3) to support hazardous fuels reduction projects that incorporate treatments for hazardous fuels reduction in landscapes across ownership boundaries on Federal, State, county, or Tribal land, private land, and other non-Federal land, particularly in areas identified as priorities in applicable State-wide forest resource assessments or strategies under section 2A(a) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a(a)), as mutually agreed to by the State Forester and the Regional Forester.

“(2) LAND TREATMENTS.—To conduct and fund treatments for projects that include Federal and non-Federal land, the Secretary may—

“(A) use the authorities of the Secretary relating to cooperation and technical and financial assistance, including the good neighbor authority under—

“(i) section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a); and

and

“(ii) section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (16 U.S.C. 1011 note; Public Law 106–291); and

“(B) allocate excess funds under subsection (d)(3) for projects carried out pursuant to section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a).

“(3) COOPERATION.—In carrying out this subsection, the State Forester, in consultation with the Secretary (or a designee)—

“(A) shall consult with the owners of State, county, Tribal, and private land and other non-Federal land with respect to hazardous fuels reduction projects; and

“(B) shall not implement any project on non-Federal land without the consent of the owner of the non-Federal land.

“(4) EXISTING LAWS.—Regardless of the individual or entity implementing a project on non-Federal land under this subsection, only the laws and regulations that apply to non-Federal land shall be applicable with respect to the project.”.

SEC. 8333. REGULATIONS REGARDING DESIGNATION OF DEAD OR DYING TREES OF CERTAIN TREE SPECIES ON NATIONAL FOREST SYSTEM LANDS IN CALIFORNIA AS EXEMPT FROM PROHIBITION ON EXPORT OF UNPROCESSED TIMBER ORIGINATING FROM FEDERAL LANDS.

(a) ISSUANCE OF REGULATIONS.—Consistent with the rulemaking procedures specified in paragraph (2) of subsection (b) of section 489 of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620a), the Secretary of Agriculture shall make a determination under paragraph (1) of such subsection that unprocessed timber derived from dead or dying trees of a covered tree species origi-

nating on National Forest System lands in the State of California are surplus to domestic manufacturing needs and therefore exempt from the export prohibition contained in subsection (a) of such section.

(b) **ELIMINATION OF ADVERSE EFFECTS.**—In making the determination under subsection (a) and in implementing any regulations issued under such subsection, the Secretary of Agriculture shall—

- (1) consult with representatives of sawmills in the State of California and other interested persons; and
- (2) make reasonable efforts to avoid adversely impacting the domestic sawmill industry in the State of California.

(c) **SPECIAL CONTRACT PROVISIONS.**—The Secretary of Agriculture may adjust contract provisions for Forest Service contracts in region 5 of the National Forest System as the Secretary considers appropriate to ensure successful implementation of, and compliance with, the regulations issued under subsection (a).

(d) **RELATION TO LIMITATIONS ON TIMBER SUBSTITUTION.**—Section 490 of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620b) shall not apply to unprocessed timber designated as surplus pursuant to the regulations issued under subsection (a).

(e) **ADDITIONAL STAFF FOR IMPLEMENTATION.**—Using funds otherwise available to the Forest Service for management, protection, improvement, and utilization of the National Forest System, the Secretary of Agriculture may hire additional Forest Service employees to implement the regulations issued under subsection (a).

(f) **DURATION OF REGULATIONS; PERIODIC REVIEW.**—The regulations issued under subsection (a) shall remain in effect for a 10-year period beginning on the date of the issuance of the regulations, except that the continued need for the regulations shall be subject to the periodic review required by the second sentence of section 489(b)(2) of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620a(b)(2)).

(g) **DEFINITIONS.**—In this section:

(1) **COVERED TREE SPECIES.**—The term “covered tree species” means the following pine species:

- (A) Ponderosa pine (*Pinus ponderosa*).
- (B) Sugar pine (*Pinus lambertiana*).
- (C) Jeffrey pine (*Pinus jefferyi*).
- (D) Lodgepole pine (*Pinus contorta*).

(2) **DIED OR DYING.**—The term “died or dying”, with respect to a covered tree species, shall be determined in a manner consistent with applicable Forest Service standards.

Subtitle D—Tribal Forestry Participation and Protection

SEC. 8401. PROTECTION OF TRIBAL FOREST ASSETS THROUGH USE OF STEWARDSHIP END RESULT CONTRACTING AND OTHER AUTHORITIES.

(a) **PROMPT CONSIDERATION OF TRIBAL REQUESTS.**—Section 2(b) of the Tribal Forest Protection Act of 2004 (25 U.S.C. 3115a(b)) is amended—

(1) in paragraph (1), by striking “Not later than 120 days after the date on which an Indian tribe submits to the Secretary” and inserting “In response to the submission by an Indian Tribe of”; and

(2) by adding at the end the following new paragraph:

“(4) **TIME PERIODS FOR CONSIDERATION.**—

“(A) **INITIAL RESPONSE.**—Not later than 120 days after the date on which the Secretary receives a Tribal request under paragraph (1), the Secretary shall provide an initial response to the Indian Tribe regarding—

“(i) whether the request may meet the selection criteria described in subsection (c); and

“(ii) the likelihood of the Secretary entering into an agreement or contract with the Indian Tribe under paragraph (2) for activities described in paragraph (3).

“(B) **NOTICE OF DENIAL.**—Notice under subsection (d) of the denial of a Tribal request under paragraph (1) shall be provided not later than 1 year after the date on which the Secretary received the request.

“(C) **COMPLETION.**—Not later than 2 years after the date on which the Secretary receives a Tribal request under paragraph (1), other than a Tribal request denied under subsection (d), the Secretary shall—

“(i) complete all environmental reviews necessary in connection with the agreement or contract and proposed activities under the agreement or contract; and

“(ii) enter into the agreement or contract with the Indian Tribe under paragraph (2).”.

(b) **CONFORMING AND TECHNICAL AMENDMENTS.**—Section 2 of the Tribal Forest Protection Act of 2004 (25 U.S.C. 3115a) is amended—

(1) in subsections (b)(1) and (f)(1), by striking “section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 2104 note; Public Law 105–277) (as amended by section 323 of the Department of the Interior and Related Agencies Appropriations Act, 2003 (117 Stat. 275))” and inserting “section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c)”; and

(2) in subsection (d), by striking “subsection (b)(1), the Secretary may” and inserting “paragraphs (1) and (4)(B) of subsection (b), the Secretary shall”.

SEC. 8402. TRIBAL FOREST MANAGEMENT DEMONSTRATION PROJECT.

The Secretary of the Interior and the Secretary of Agriculture may carry out demonstration projects by which federally recognized Indian Tribes or Tribal organizations may contract to perform administrative, management, and other functions of programs of the Tribal Forest Protection Act of 2004 (25 U.S.C. 3115a et seq.) through contracts entered into under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304 et seq.).

Subtitle E—Other Matters

SEC. 8501. CLARIFICATION OF RESEARCH AND DEVELOPMENT PROGRAM FOR WOOD BUILDING CONSTRUCTION.

(a) **IN GENERAL.**—The Secretary shall conduct performance-driven research and development, education, and technical assistance for the purpose of facilitating the use of innovative wood products in wood building construction in the United States.

(b) **ACTIVITIES.**—In carrying out subsection (a), the Secretary shall—

(1) after receipt of input and guidance from, and collaboration with, the wood products industry, conservation organizations, and institutions of higher education, conduct research and development, education, and technical assistance that meets measurable performance goals for the achievement of the priorities described in subsection (c); and

(2) after coordination and collaboration with the wood products industry and conservation organizations, make competitive grants to institutions of higher education to conduct research and development, education, and technical assistance that meets measurable performance goals for the achievement of the priorities described in subsection (c).

(c) **PRIORITIES.**—The research and development, education, and technical assistance conducted under subsection (a) shall give priority to—

(1) ways to improve the commercialization of innovative wood products;

(2) analyzing the safety of tall wood building materials;

(3) calculations by the Secretary of the life cycle environmental footprint, from extraction of raw materials through the manufacturing process, of tall wood building construction;

(4) analyzing methods to reduce the life cycle environmental footprint of tall wood building construction;

(5) analyzing the potential implications of the use of innovative wood products in building construction on wildlife; and

(6) one or more other research areas identified by the Secretary, in consultation with conservation organizations, institutions of higher education, and the wood products industry.

(d) **TIMEFRAME.**—To the maximum extent practicable, the measurable performance goals for the research and development, education, and technical assistance conducted under subsection (a) shall be achievable within a 5-year period.

(e) **DEFINITIONS.**—In this section:

(1) **INNOVATIVE WOOD PRODUCT.**—The term “innovative wood product” means a type of building component or system that uses large panelized wood construction, including mass timber.

(2) **MASS TIMBER.**—The term “mass timber” includes—

(A) cross-laminated timber;

(B) nail-laminated timber;

(C) glue-laminated timber;

(D) laminated strand lumber; and

(E) laminated veneer lumber.

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Research and Development deputy area and the State and Private Forestry deputy area of the Forest Service.

(4) TALL WOOD BUILDING.—The term “tall wood building” means a building designed to be—

(A) constructed with mass timber; and

(B) more than 85 feet in height.

SEC. 8502. UTILITY INFRASTRUCTURE RIGHTS-OF-WAY VEGETATION MANAGEMENT PILOT PROGRAM.

(a) PILOT PROGRAM REQUIRED.—To encourage owners or operators of rights-of-way on National Forest System land to partner with the Forest Service to voluntarily perform vegetation management on a proactive basis to better protect utility infrastructure from potential passing wildfires, the Secretary shall conduct a limited, voluntary pilot program, in the manner described in this section, to permit vegetation management projects on National Forest System land adjacent to or near such rights-of-way.

(b) ELIGIBLE PARTICIPANTS.—A participant in the pilot program must have a right-of-way on National Forest System land. In selecting participants, the Secretary shall give priority to holders of a right-of-way who have worked with Forest Service fire scientists and used technologies, such as Light Detection and Ranging surveys, to improve utility infrastructure protection prescriptions.

(c) PROJECT ELEMENTS.—A vegetation management project under the pilot program involves limited and selective vegetation management activities, which—

(1) shall create the least amount of disturbance reasonably necessary to protect utility infrastructure from passing wildfires based on applicable models, including Forest Service fuel models;

(2) may include thinning, fuel reduction, creation and treatment of shaded fuel breaks, and other measures as appropriate;

(3) shall only take place adjacent to the participant’s right-of-way or within 75 feet of the participant’s right-of-way;

(4) shall not take place in any designated wilderness area, wilderness study area, or inventoried roadless area; and

(5) shall be subject to approval by the Forest Service in accordance with this section.

(d) PROJECT COSTS.—A participant in the pilot program shall be responsible for all costs, as determined by the Secretary, incurred in participating in the pilot program, unless the Secretary determines that it is in the public interest for the Forest Service to contribute funds for a vegetation management project conducted under the pilot program.

(e) LIABILITY.—

(1) IN GENERAL.—Participation in the pilot program does not affect any existing legal obligations or liability standards that—

(A) arise under the right-of-way for activities in the right-of-way; or

(B) apply to fires resulting from causes other than activities conducted pursuant to an approved vegetation management project.

(2) PROJECT WORK.—A participant shall not be liable to the United States for damage proximately caused by activities conducted pursuant to an approved vegetation management project unless—

(A) such activities were carried out in a manner that was grossly negligent or that violated criminal law; or

(B) the damage was caused by the failure of the participant to comply with specific safety requirements expressly imposed by the Forest Service as a condition of participating in the pilot program.

(f) IMPLEMENTATION.—The Secretary shall utilize existing laws and regulations in the conduct of the pilot program and, in order to implement the pilot program in an efficient and expeditious manner, may waive or modify specific provisions of the Federal Acquisition Regulation, including modifications to allow for formation of contracts or agreements on a noncompetitive basis.

(g) TREATMENT OF PROCEEDS.—Notwithstanding any other provision of law, the Secretary may—

(1) retain any funds provided to the Forest Service by a participant in the pilot program; and

(2) use such funds, in such amounts as may be appropriated, in the conduct of the pilot program.

(h) DEFINITIONS.—In this section:

(1) NATIONAL FOREST SYSTEM LAND.—The term “National Forest System land” means land within the National Forest System, as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16

U.S.C. 1609(a)) exclusive of the National Grasslands and land utilization projects designated as National Grasslands administered pursuant to the Act of July 22, 1937 (7 U.S.C. 1010–1012).

(2) **PASSING WILDFIRE.**—The term “passing wildfire” means a wildfire that originates outside the right-of-way.

(3) **RIGHT-OF-WAY.**—The term “right-of-way” means a special use authorization issued by the Forest Service allowing the placement of utility infrastructure.

(4) **UTILITY INFRASTRUCTURE.**—The term “utility infrastructure” means electric transmission lines, natural gas infrastructure, or related structures.

(i) **DURATION.**—The authority to conduct the pilot program, and any vegetation management project under the pilot program, expires December 21, 2027.

(j) **REPORT TO CONGRESS.**—Not later than December 31, 2019, and every two years thereafter, the Secretary shall issue a report to the Committee on Energy and Natural Resources of the Senate, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Committee on Natural Resources of the House of Representatives, and the Committee on Agriculture of the House of Representatives on the status of the program and any projects established under this section.

SEC. 8503. REVISION OF EXTRAORDINARY CIRCUMSTANCES REGULATIONS.

(a) **DETERMINATIONS OF EXTRAORDINARY CIRCUMSTANCES.**—In determining whether extraordinary circumstances related to a proposed action preclude use of a categorical exclusion, the Forest Service shall not be required to—

(1) consider whether a proposed action is within a potential wilderness area;

(2) consider whether a proposed action affects a Forest Service sensitive species;

(3) conduct an analysis under section 220.4(f) of title 36, Code of Federal Regulations, of the proposed action’s cumulative impact (as the term is defined in section 1508.7 of title 40, Code of Federal Regulations);

(4) consider a determination under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) that a proposed action may affect, but is not likely to adversely affect, threatened, endangered, or candidate species, or designated critical habitats; or

(5) consider a determination under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) that a proposed action may affect, and is likely to adversely affect threatened, endangered, candidate species, or designated critical habitat if the agency is in compliance with the applicable provisions of the biological opinion.

(b) **PROPOSED RULEMAKING.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall publish a notice of proposed rulemaking to revise section 220.6(b) of title 36, Code of Federal Regulations to conform such section with subsection (a).

(c) **ADDITIONAL REVISION.**—As part of the proposed rulemaking described in subsection (b), the Secretary of Agriculture shall revise section 220.5(a)(2) of title 36, Code of Federal Regulations, to provide that the Forest Service shall not be required to consider proposals that would substantially alter a potential wilderness area as a class of actions normally requiring environmental impact statements.

(d) **ADDITIONAL ACTIONS.**—Not later than 120 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations to carry out the revisions described in subsections (b) and (c).

SEC. 8504. NO LOSS OF FUNDS FOR WILDFIRE SUPPRESSION.

Nothing in this title or the amendments made by this title may be construed to limit from the availability of funds or other resources for wildfire suppression.

SEC. 8505. TECHNICAL CORRECTIONS.

(a) **WILDFIRE SUPPRESSION FUNDING AND FOREST MANAGEMENT ACTIVITIES ACT.**—

(1) **IN GENERAL.**— The Wildfire Suppression Funding and Forest Management Activities Act (Public Law 115–141) is amended—

(A) in section 102(a)(2), by striking “the date of enactment” and inserting “the date of the enactment”; and

(B) in section 401(a)(1), by inserting “of 2000” after “Self-Determination Act”.

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall take effect as if enacted as part of the Wildfire Suppression Funding and Forest Management Activities Act (Public Law 115–141).

(b) **AGRICULTURAL ACT OF 2014.**—Section 8206(a) of the Agricultural Act of 2014 (16 U.S.C. 2113a(a)) is amended—

(1) in paragraph (3)(B)(i)(II), by striking “Good Neighbor Authority Improvement Act” and inserting “Wildfire Suppression Funding and Forest Management Activities Act”; and

(2) in paragraph (7), as redesignated by section 8331, by striking “Good Neighbor Authority Improvement Act” and inserting “Wildfire Suppression Funding and Forest Management Activities Act”.

TITLE IX—HORTICULTURE

Subtitle A—Horticulture Marketing and Information

SEC. 9001. SPECIALTY CROPS MARKET NEWS ALLOCATION.

Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking “2018” and inserting “2023”.

SEC. 9002. FARMERS’ MARKET AND LOCAL FOOD PROMOTION PROGRAM.

Section 6(g) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005(g)) is amended—

(1) in paragraph (3), by striking “this section” and all that follows through “2018.” and inserting the following: “this section—

“(A) \$10,000,000 for each of fiscal years 2014 through 2018; and

“(B) \$30,000,000 for each of fiscal years 2019 through 2023.”;

(2) by striking paragraph (2); and

(3) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (2), (3), (4), and (5), respectively.

SEC. 9003. FOOD SAFETY EDUCATION INITIATIVES.

Section 10105(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking “2018” and inserting “2023”.

SEC. 9004. SPECIALTY CROP BLOCK GRANTS.

Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended—

(1) in subsection (a)—

(A) by striking “2018” and inserting “2023”; and

(B) by striking “agriculture solely to enhance the competitiveness of specialty crops.” and inserting the following: “agriculture to—

“(1) enhance the competitiveness of specialty crops;

“(2) leverage efforts to market and promote specialty crops;

“(3) assist producers with research and development;

“(4) expand availability and access to specialty crops;

“(5) address local, regional, and national challenges confronting specialty crop producers; and

“(6) other priorities as determined by the Secretary in consultation with relevant State departments of agriculture.”;

(2) in subsection (k), by adding at the end the following new paragraph:

“(3) EVALUATION OF PERFORMANCE.—The Secretary shall enter into a cooperative agreement with relevant State departments of agriculture and specialty crop industry stakeholders that agree to—

“(A) develop, in consultation with the Secretary, performance measures to be used as the sole means for performing an evaluation under subparagraph (B); and

“(B) periodically evaluate the performance of the program established under this section.”; and

(3) in subsection (l)(2)(E), by striking “fiscal year 2018” and inserting “each of fiscal years 2018 through 2023”.

SEC. 9005. AMENDMENTS TO THE PLANT VARIETY PROTECTION ACT.

(a) ASEXUALLY REPRODUCED DEFINED.—Section 41(a) of the Plant Variety Protection Act (7 U.S.C. 2401(a)) is amended—

(1) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), (8), and (9) as paragraphs (2), (3), (4), (5), (6), (7), (8), (9), and (10), respectively; and

(2) by inserting before paragraph (2), as so redesignated, the following new paragraph:

“(1) ASEXUALLY REPRODUCED.—The term ‘asexually reproduced’ means produced by a method of plant propagation using vegetative material (other than

seed) from a single parent, including cuttings, grafting, tissue culture, and propagation by root division.”

(b) **RIGHT TO PLANT VARIETY PROTECTION; PLANT VARIETIES PROTECTABLE.**—Section 42(a) of the Plant Variety Protection Act (7 U.S.C. 2402(a)) is amended by striking “or tuber propagated” and inserting “, tuber propagated, or asexually reproduced”.

(c) **INFRINGEMENT OF PLANT VARIETY PROTECTION.**—Section 111(a)(3) of the Plant Variety Protection Act (7 U.S.C. 2541(a)(3)) is amended by inserting “or asexually” after “sexually”.

(d) **FALSE MARKETING; CEASE AND DESIST ORDERS.**—Section 128(a) of the Plant Variety Protection Act (7 U.S.C. 2568(a)) is amended, in the matter preceding paragraph (1), by inserting “or asexually” after “sexually”.

SEC. 9006. ORGANIC PROGRAMS.

(a) **ADDITIONAL ACCREDITATION AUTHORITY.**—Section 2115 of the Organic Foods Production Act of 1990 (7 U.S.C. 6514) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c) **SATELLITE OFFICES AND OVERSEAS OPERATIONS.**—The Secretary—

“(1) has oversight and approval authority with respect to a certifying agent accredited under this section who is operating as a certifying agent in a foreign country for the purpose of certifying a farm or handling operation in such foreign country as a certified organic farm or handling operation; and

“(2) shall require that each certifying agent that intends to operate in any foreign country as described in paragraph (1) is authorized by the Secretary to so operate on an annual basis.”

(b) **NATIONAL LIST OF APPROVED AND PROHIBITED SUBSTANCES FOR ORGANIC FARMING OR HANDLING OPERATIONS.**—Section 2119(n) of the Organic Foods Production Act of 1990 (7 U.S.C. 6518(n)) is amended to read as follows:

“(n) **PETITIONS.**—

“(1) **IN GENERAL.**—The Board shall establish procedures under which persons may petition the Board for the purpose of evaluating substances for inclusion on the National List.

“(2) **EXPEDITED REVIEW.**—The Secretary shall develop procedures under which the review of a petition referred to in paragraph (1) may be expedited if the petition seeks to include on the National List a postharvest handling substance that is related to food safety or a class of such substances.

“(3) **RULE OF CONSTRUCTION.**—Nothing in paragraph (2) shall be construed as providing that section 2118(d) does not apply with respect to the inclusion of a substance on the National List pursuant to such paragraph.”

(c) **CERTAIN EMPLOYEES ELIGIBLE TO SERVE AS NATIONAL ORGANICS STANDARDS BOARD MEMBERS.**—Section 2119(b) of the Organic Foods Production Act of 1990 (7 U.S.C. 6518(b)) is amended—

(1) in paragraph (1), by inserting “, or employees of such individuals” after “operation”;

(2) in paragraph (2), by inserting “, or employees of such individuals” after “operation”; and

(3) in paragraph (3), by inserting “, or an employee of such individual” after “products”.

(d) **NATIONAL ORGANIC STANDARDS BOARD CONSULTATION REQUIREMENTS.**—Section 2119(l) of the Organic Foods Production Act of 1990 (7 U.S.C. 6518(l)) is amended—

(1) in paragraph (2), by striking “; and” at the end and inserting a semicolon;

(2) in paragraph (3)—

(A) by striking “and the evaluation of the technical advisory panel” and inserting “, the evaluation of the technical advisory panel, and the determinations of the task force required under paragraph (4)”; and

(B) by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(4) in the case of a substance not included in the National List that the Commissioner of Food and Drugs has determined to be safe for use within the meaning of section 201(s) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(s)) or the Administrator of the Environmental Protection Agency has determined there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information, convene a task force to consult with the Commissioner or Administrator (or the designees thereof), as applicable, to determine if such substance should be included in the National List.”

(e) RECORDKEEPING, INVESTIGATION, AND ENFORCEMENT.—

(1) COLLABORATIVE INVESTIGATIONS AND ENFORCEMENT.—Section 2120 of the Organic Foods Production Act of 1990 (7 U.S.C. 6519) is amended by adding at the end the following new subsection:

“(d) COLLABORATIVE INVESTIGATIONS AND ENFORCEMENT.—

“(1) INFORMATION SHARING DURING ACTIVE INVESTIGATION.—In carrying out this title, all parties to an active investigation (including certifying agents, State organic certification programs, and the national organic program) may share confidential business information with Federal and State government officers and employees and certifying agents involved in the investigation as necessary to fully investigate and enforce potential violations of this title.

“(2) ACCESS TO DATA DOCUMENTATION SYSTEMS.—The Secretary shall have access to available data from cross-border documentation systems administered by other Federal agencies, including—

“(A) the Automated Commercial Environment system of U.S. Customs and Border Protection; and

“(B) the Phytosanitary Certificate Issuance and Tracking system of the Animal and Plant Health Inspection Service.

“(3) ADDITIONAL DOCUMENTATION AND VERIFICATION.—The Secretary, acting through the Deputy Administrator of the national organic program under this title, has the authority, and shall grant an accredited certifying agent the authority, to require producers and handlers to provide additional documentation or verification before granting certification under section 2104, in the case of a known area of risk or when there is a specific area of concern, with respect to meeting the national standards for organic production established under section 2105, as determined by the Secretary or the certifying agent.”

(2) MODIFICATION OF REGULATIONS ON EXCLUSIONS FROM CERTIFICATION.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall issue regulations to limit the type of operations that are excluded from certification under section 205.101 of title 7, Code of Federal Regulations (or a successor regulation).

(f) REPORTING REQUIREMENT.—Section 2122 of the Organic Foods Production Act of 1990 (7 U.S.C. 6521) is amended by adding at the end the following new subsection:

“(c) REPORTING REQUIREMENT.—Not later than March 1, 2019, and annually thereafter through March 1, 2023, the Secretary shall submit to Congress a report describing national organic program activities with respect to all domestic and overseas investigations and compliance actions taken pursuant to this title during the preceding year.”

(g) AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ORGANIC PROGRAM.—Subsection (b) of section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended to read as follows:

“(b) NATIONAL ORGANIC PROGRAM.—Notwithstanding any other provision of law, in order to carry out activities under the national organic program established under this title, there are authorized to be appropriated—

“(1) \$15,000,000 for fiscal year 2018;

“(2) \$16,500,000 for fiscal year 2019;

“(3) \$18,000,000 for fiscal year 2020;

“(4) \$20,000,000 for fiscal year 2021;

“(5) \$22,000,000 for fiscal year 2022; and

“(6) \$24,000,000 for fiscal year 2023.”

(h) INTERNATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COLLECTION.—Subsection (c) of section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended to read as follows:

“(c) MODERNIZATION AND IMPROVEMENT OF INTERNATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COLLECTION.—

“(1) IN GENERAL.—The Secretary shall modernize international trade tracking and data collection systems of the national organic program.

“(2) ACTIVITIES.—In carrying out paragraph (1), the Secretary shall modernize trade and transaction certificates to ensure full traceability without unduly hindering trade, such as through an electronic trade document exchange system.

“(3) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$5,000,000 for fiscal year 2019 for the purposes of—

“(A) carrying out this subsection; and

“(B) maintaining the database and technology upgrades previously carried out under this subsection, as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018.

- “(4) AVAILABILITY.—The amounts made available under paragraph (3) are in addition to any other funds made available for the purposes specified in such paragraph and shall remain available until expended.”.
- (i) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)) is amended—
- (1) by striking paragraphs (1) and (2) and inserting the following new paragraph:
 - “(1) MANDATORY FUNDING FOR FISCAL YEAR 2019.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$5,000,000 for fiscal year 2019, to remain available until expended.”;
 - (2) in paragraph (3)—
 - (A) by striking “paragraphs (1) and (2)” and inserting “paragraph (1)”;
 - and
 - (B) by striking “2018” and inserting “2023”; and
 - (3) by redesignating paragraph (3), as so amended, as paragraph (2).

Subtitle B—Regulatory Reform

PART I—STATE LEAD AGENCIES UNDER FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

SEC. 9101. RECOGNITION AND ROLE OF STATE LEAD AGENCIES.

- (a) STATE LEAD AGENCY DEFINED.—Section 2(aa) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(aa)) is amended—
- (1) by striking “(aa) STATE.—The term” and inserting the following:

“(aa) STATE; STATE LEAD AGENCY.—

 - “(1) STATE.—The term”; and
 - (2) by adding at the end the following:

“(2) STATE LEAD AGENCY.—The term ‘State lead agency’ means a statewide department, agency, board, bureau, or other entity in a State that is authorized to regulate, in a manner consistent with section 24(a), the sale or use of any federally registered pesticide or device in such State.”.
- (b) UNIFORM REGULATION OF PESTICIDES.—
- (1) COOPERATION WITH AND ROLE OF STATE LEAD AGENCY.—Section 22(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136t(b)) is amended by inserting before the period at the end the following: “promulgated by the Administrator or, when authorized pursuant to a cooperative agreement entered into under section 23(a)(1), by a State lead agency for a State”.
 - (2) AUTHORITY TO ESTABLISH AND MAINTAIN UNIFORM REGULATIONS.—Section 23(a)(1) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136u(a)(1)) is amended by inserting after “enforcement of this Act,” the following: “to authorize the State or Indian Tribe to establish and maintain uniform regulation of pesticides within the State or for the Indian Tribe,”.
 - (3) CONDITION ON MORE RESTRICTIVE REGULATION.—Section 24(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136v(a)) is amended by striking “A State may” and inserting “A State, but not a political subdivision of a State, may”.
- (c) ROLE OF STATE LEAD AGENCIES IN PROMULGATION OF REGULATIONS.—Section 25(a)(2) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(a)(2)) is amended—
- (1) in subparagraph (A)—
 - (A) in the first sentence, by inserting “and each State lead agency” after “Agriculture”;
 - (B) by striking the second sentence and inserting the following: “If the Secretary or any State lead agency comments in writing to the Administrator regarding any such regulation within 30 days after receiving the copy of the regulation, the Administrator shall publish in the Federal Register (with the proposed regulation) all such comments and the response of the Administrator to the comments.”; and
 - (C) in the third sentence, by inserting “or any State lead agency” after “Secretary”;
 - (2) in subparagraph (B)—
 - (A) in the first sentence, by inserting “and each State lead agency” after “Agriculture”;
 - (B) by striking the second sentence and inserting the following: “If the Secretary or any State lead agency comments in writing to the Administrator regarding any such regulation within 15 days after receiving the copy

of the regulation, the Administrator shall publish in the Federal Register (with the final regulation) the comments of the Secretary or State lead agency, if requested by the Secretary or State lead agency, and the response of the Administrator to the comments.”; and

- (C) in the third sentence, by inserting “or any State lead agency” after “Secretary”; and
- (3) in subparagraph (C), by inserting before the period at the end the following: “, in consultation with the State lead agencies”.

PART II—PESTICIDE REGISTRATION AND USE

SEC. 9111. REGISTRATION OF PESTICIDES.

(a) APPROVAL OF REGISTRATION.—Section 3(c)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(5)) is amended—

(1) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively and moving the margins of such clauses (as so redesignated) 2 ems to the right;

(2) by striking “REGISTRATION.—The Administrator” and inserting the following: “REGISTRATION.—

“(A) IN GENERAL.—The Administrator;”;

(3) in clause (iii), as so redesignated, by striking “; and” at the end and inserting a semicolon;

(4) in clause (iv), as so redesignated, by striking the period at the end and inserting “; and”;

(5) in the matter following clause (iv), as so redesignated, by striking “The Administrator shall not make any lack” and all that follows through “for use of the pesticide in such State.”;

(6) in subparagraph (A), as amended, by adding at the end the following new clause:

“(v) when used in accordance with widespread and commonly recognized practice it is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly alter, in a manner that is likely to appreciably diminish its value, critical habitat for both the survival and recovery of such species.”; and

(7) by adding at the end the following new subparagraphs:

“(B) PRINCIPLES TO BE APPLIED TO CERTAIN DETERMINATIONS.—In determining whether the condition specified in subparagraph (A)(v) is met, the Administrator shall take into account the best scientific and commercial information and data available, and shall consider all directions for use and restrictions on use specified by the registration. In making such determination, the Administrator shall use an economical and effective screening process that includes higher-tiered probabilistic ecological risk assessments, as appropriate. Notwithstanding any other provision of law, the Administrator shall not be required to consult or otherwise communicate with the Secretary of the Interior and the Secretary of Commerce except to the extent specified in subparagraphs (C) and (D).

“(C) SPECIES INFORMATION AND DATA.—

“(i) REQUEST.—Not later than 30 days after the Administrator begins any determination under subparagraph (A)(v) with respect to the registration of a pesticide, the Administrator shall request that the Secretary of the Interior and the Secretary of Commerce transmit, with respect to any federally listed threatened and endangered species involved in such determination, the Secretaries’ best available and authoritative information and data on—

“(I) the location, life history, habitat needs, distribution, threats, population trends and conservation needs of such species; and

“(II) relevant physical and biological features of designated critical habitat for such species.

“(ii) TRANSMISSION OF DATA.—After receiving a request under clause (i), the Secretary of the Interior and the Secretary of Commerce shall transmit the information described in such clause to the Administrator on a timely basis, unless the Secretary of the Interior and the Secretary of Commerce have made such information available through a web-based platform that is updated on at least a quarterly basis.

“(iii) FAILURE TO TRANSMIT DATA.—The failure of the Secretary of the Interior or the Secretary of Commerce to provide information to the Administrator under clause (ii) shall not constitute grounds for extending any deadline for action under section 33(f).

“(D) CONSULTATION.—

“(i) IN GENERAL.—At the request of an applicant, the Administrator shall request consultation with the Secretary of the Interior and the Secretary of Commerce.

“(ii) REQUIREMENTS.—With respect to a consultation under this subparagraph, the Administrator and the Secretary of the Interior and the Secretary of Commerce shall comply with subpart D of part 402 of title 50, Code of Federal Regulations (commonly known as the Joint Counterpart Endangered Species Act Section 7 Consultation), or successor regulations.

“(E) FAILURE TO CONSULT.—

“(i) NOT ACTIONABLE.—Notwithstanding any other provision of law, beginning on the date of the enactment of this subparagraph, the failure of the Administrator to consult with the Secretary of the Interior and the Secretary of Commerce, except as provided by this section, is not actionable in any Federal court.

“(ii) REMEDY.—In any action pending in Federal court on the date of the enactment of this subparagraph or any action brought in Federal court after such date, with respect to the Administrator’s failure to consult with the Secretary of the Interior and the Secretary of Commerce, the sole and exclusive remedy for any such action, other than as otherwise specified in this Act, shall be scheduling the determinations required by section 3(c)(5)(E) for an active ingredient consistent with the periodic review of registrations established by this section.

“(F) ESSENTIALITY AND EFFICACY.—The Administrator shall not make any lack of essentiality a criterion for denying registration of any pesticide. Where two pesticides meet the requirements of this paragraph, one should not be registered in preference to the other. In considering an application for the registration of a pesticide, the Administrator may waive data requirements pertaining to efficacy, in which event the Administrator may register the pesticide without determining that the pesticide’s composition is such as to warrant proposed claims of efficacy. If a pesticide is found to be efficacious by any State under section 24(c), a presumption is established that the Administrator shall waive data requirements pertaining to efficacy for use of the pesticide in such State.”

(b) REGISTRATION UNDER SPECIAL CIRCUMSTANCES.—Section 3(c)(7) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(7)) is amended—

(1) in subparagraph (A)—

(A) by inserting “and when used in accordance with widespread and commonly recognized practice, it is not likely to jeopardize the survival of a federally listed threatened or endangered species or appreciably diminish the value of critical habitat for both the survival and recovery of the listed species,” after “or differ only in ways that would not significantly increase the risk of unreasonable adverse effects on the environment,”; and

(B) by inserting “and it is not likely to jeopardize the survival of a federally listed threatened or endangered species or appreciably diminish the value of critical habitat for both the survival and recovery of the listed species” before “. An applicant seeking conditional registration”; and

(2) in subparagraph (B), by inserting “and it is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly appreciably diminish the value of critical habitat for both the survival and recovery of the listed species” before “. Notwithstanding the foregoing provisions”.

(c) REGISTRATION REVIEW.—Section 3(g)(1)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(g)(1)(A)) is amended by adding at the end the following new clause:

“(vi) ENSURING PROTECTION OF SPECIES AND HABITAT.—The Administrator shall complete the determination required under subsection (c)(5)(A)(v) for an active ingredient consistent with the periodic review of registrations under clauses (ii) and (iii) in accordance with the following schedule:

“(I) With respect to any active ingredient first registered on or before October 1, 2007, not later than October 1, 2026.

“(II) With respect to any active ingredient first registered between October 1, 2007, and the day before the date of the enactment of this clause, not later than October 1, 2033.

“(III) With respect to any active ingredient first registered on or after the date of the enactment of this clause, not later than 48 months after the effective date of registration.”

SEC. 9112. EXPERIMENTAL USE PERMITS.

Section 5(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136c(a)) is amended by inserting “and that the issuance of such a permit is not likely to jeopardize the survival of a federally listed threatened or endangered species or diminish the value of critical habitat for both the survival and recovery of the listed species” after “section 3 of this Act”.

SEC. 9113. ADMINISTRATIVE REVIEW; SUSPENSION.

Section 6(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(b)) is amended by inserting “or does not meet the criteria specified in section 3(c)(5)(A)(v)” after “adverse effects on the environment”.

SEC. 9114. UNLAWFUL ACTS.

Section 12 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136j) is amended by adding at the end the following new subsection:

“(c) **LAWFUL USE OF PESTICIDE RESULTING IN INCIDENTAL TAKING OF CERTAIN SPECIES.**—If the Administrator determines, with respect to a pesticide that is registered under this Act, that the pesticide meets the criteria specified in section 3(c)(5)(A)(v), any taking of a federally listed threatened or endangered species that is incidental to an otherwise lawful use of such pesticide pursuant to this Act shall not be considered unlawful under—

“(1) section 4(d) of the Endangered Species Act of 1973 (16 U.S.C. 1533(d));

or

“(2) section 9(a)(1)(B) of the Endangered Species Act of 1973 (16 U.S.C. 1538(a)(1)(B)).”.

SEC. 9115. AUTHORITY OF STATES.

Section 24(c) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136v(c)) is amended—

(1) in paragraph (2), in the second sentence, by inserting “and the State registration is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly alter in a manner that is likely to appreciably diminish the value of critical habitat for both the survival and recovery of the listed species” before the period at the end; and

(2) by striking paragraph (4).

SEC. 9116. REGULATIONS.

Not later than 180 days after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall publish, and revise thereafter as appropriate, a work plan and processes for completing the determinations required by clause (v) of section 3(c)(5)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(5)(A)), as added by section 9111(a), and implementing and enforcing standards of registration consistent with such clause and consistent with registration reviews and other periodic reviews.

SEC. 9117. USE OF AUTHORIZED PESTICIDES.

Section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(f)) is amended by adding at the end the following:

“(5) **USE OF AUTHORIZED PESTICIDES.**—Except as provided in section 402(s) of the Federal Water Pollution Control Act, the Administrator or a State may not require a permit under such Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under this Act, or the residue of such a pesticide, resulting from the application of such pesticide.”.

SEC. 9118. DISCHARGES OF PESTICIDES.

Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following:

“(s) **DISCHARGES OF PESTICIDES.**—

“(1) **NO PERMIT REQUIREMENT.**—Except as provided in paragraph (2), a permit shall not be required by the Administrator or a State under this Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act, or the residue of such a pesticide, resulting from the application of such pesticide.

“(2) **EXCEPTIONS.**—Paragraph (1) shall not apply to the following discharges of a pesticide or pesticide residue:

“(A) A discharge resulting from the application of a pesticide in violation of a provision of the Federal Insecticide, Fungicide, and Rodenticide Act that is relevant to protecting water quality, if—

“(i) the discharge would not have occurred but for the violation; or

- “(ii) the amount of pesticide or pesticide residue in the discharge is greater than would have occurred without the violation.
- “(B) Stormwater discharges subject to regulation under subsection (p).
- “(C) The following discharges subject to regulation under this section:
 - “(i) Manufacturing or industrial effluent.
 - “(ii) Treatment works effluent.
 - “(iii) Discharges incidental to the normal operation of a vessel, including a discharge resulting from ballasting operations or vessel bio-fouling prevention.”.

SEC. 9119. ENACTMENT OF PESTICIDE REGISTRATION IMPROVEMENT ENHANCEMENT ACT OF 2017.

H.R. 1029 of the 115th Congress, entitled the “Pesticide Registration Improvement Enhancement Act of 2017”, as passed by the House of Representatives on March 20, 2017, is hereby enacted into law.

PART III—AMENDMENTS TO THE PLANT PROTECTION ACT

SEC. 9121. METHYL BROMIDE.

Section 419 of the Plant Protection Act (7 U.S.C. 7719) is amended to read as follows:

“SEC. 419. METHYL BROMIDE.

“(a) AUTHORIZATION.—

“(1) **IN GENERAL.**—Subject to paragraphs (2) and (3), a State, local, or Tribal authority may authorize the use of methyl bromide for a qualified use if the authority determines the use is required to respond to an emergency event. The Secretary may authorize such a use if the Secretary determines such a use is required to respond to an emergency event.

“(2) **NOTIFICATION.**—Not later than 5 days after the date on which a State, local, or Tribal authority makes the determination described in paragraph (1), the State, local, or Tribal authority intending to authorize the use of methyl bromide for a qualified use shall submit to the Secretary a notification that contains the information described in subsection (b).

“(3) **OBJECTION.**—A State, local, or Tribal authority may not authorize the use of methyl bromide under paragraph (1) if the Secretary objects to such use under subsection (c) within the 5-day period specified in such subsection.

“(b) NOTIFICATION CONTENTS.—A notification submitted under subsection (a)(2) by a State, local, or Tribal authority shall contain—

“(1) a certification that the State, local, or Tribal authority requires the use of methyl bromide to respond to an emergency event;

“(2) a description of the emergency event and the economic loss that would result from such emergency event;

“(3) the identity and contact information for the responsible individual of the authority; and

“(4) with respect to the qualified use of methyl bromide that is the subject of the notification—

“(A) the specific location in which the methyl bromide is to be used and the total acreage of such location;

“(B) the identity of the pest or pests to be controlled by such use;

“(C) the total volume of methyl bromide to be used; and

“(D) the anticipated date of such use.

“(c) OBJECTION.—

“(1) **IN GENERAL.**—The Secretary, not later than 5 days after the receipt of a notification submitted under subsection (a)(2), may object to the authorization of the use of methyl bromide under such subsection by a State, local, or Tribal authority by sending the State, local, or Tribal authority a notification in writing of such objection that—

“(A) states the reasons for such objection; and

“(B) specifies any additional information that the Secretary would require to withdraw the objection.

“(2) **REASONS FOR OBJECTION.**—The Secretary may object to an authorization described in paragraph (1) if the Secretary determines that—

“(A) the notification submitted under subsection (a)(2) does not—

“(i) contain all of the information specified in paragraphs (1) through (4) of subsection (b); or

“(ii) demonstrate the existence of an emergency event; or

“(B) the qualified use specified in the notification does not comply with the limitations specified in subsection (e).

“(3) WITHDRAWAL OF OBJECTION.—The Secretary shall withdraw an objection under this subsection if—

“(A) not later than 14 days after the date on which the Secretary sends the notification under paragraph (1) to the State, local, or Tribal authority involved, the State, local, or Tribal authority submits to the Secretary the additional information specified in such notification; and

“(B) such additional information is submitted to the satisfaction of the Secretary.

“(4) EFFECT OF WITHDRAWAL.—Upon the issuance of a withdrawal under paragraph (3), the State, local, or Tribal authority involved may authorize the use of methyl bromide for the qualified use specified in the notification submitted under subsection (a)(2).

“(d) USE FOR EMERGENCY EVENTS CONSISTENT WITH FIFRA.—The production, distribution, sale, shipment, application, or use of a pesticide product containing methyl bromide in accordance with an authorization for a use under subsection (a) shall be deemed an authorized production, distribution, sale, shipment, application, or use of such product under the Federal Insecticide, Fungicide, and Rodenticide Act, regardless of whether the intended use is registered and included in the label approved for the product by the Administrator of the Environmental Protection Agency under such Act.

“(e) LIMITATIONS ON USE.—

“(1) LIMITATIONS ON USE PER EMERGENCY EVENT.—The amount of methyl bromide that may be used per emergency event at a specific location shall not exceed 20 metric tons.

“(2) LIMITS ON AGGREGATE AMOUNT.—The aggregate amount of methyl bromide allowed pursuant to this section for use in the United States in a calendar year shall not exceed the total amount authorized by the Parties to the Montreal Protocol pursuant to the Montreal Protocol process for critical uses in the United States in calendar year 2011.

“(f) ENSURING ADEQUATE SUPPLY OF METHYL BROMIDE.—Notwithstanding any other provision of law, it shall not be unlawful for any person or entity to produce or import methyl bromide, or otherwise supply methyl bromide from inventories (produced or imported pursuant to the Clean Air Act for other purposes) in response to an emergency event in accordance with subsection (a).

“(g) EXCLUSIVE AUTHORITY OF THE SECRETARY.—Nothing in this section shall be construed to alter or modify the authority of the Secretary to use methyl bromide for quarantine and pre-shipment, without limitation, under the Clean Air Act.

“(h) DEFINITIONS.—

“(1) EMERGENCY EVENT.—The term ‘emergency event’ means a situation—

“(A) that occurs at a location on which a plant or commodity is grown or produced or a facility providing for the storage of, or other services with respect to, a plant or commodity;

“(B) for which the lack of availability of methyl bromide for a particular use would result in significant economic loss to the owner, lessee, or operator of such a location or facility or the owner, grower, or purchaser of such a plant or commodity; and

“(C) that, in light of the specific agricultural, meteorological, or other conditions presented, requires the use of methyl bromide to control a pest or disease in such location or facility because there are no technically or economically feasible alternatives to methyl bromide easily accessible by an entity referred to in subparagraph (B) at the time and location of the event that—

“(i) are registered under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) for the intended use or pest to be so controlled; and

“(ii) would adequately control the pest or disease presented at such location or facility.

“(2) PEST.—The term ‘pest’ has the meaning given such term in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136).

“(3) QUALIFIED USE.—The term ‘qualified use’ means, with respect to methyl bromide, a methyl bromide treatment or application in an amount not to exceed the limitations specified in subsection (e) in response to an emergency event.”.

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 9131. DEFINITION OF RETAIL FACILITIES.

Not later than 180 days of the date of enactment of this Act, the Secretary of Labor shall revise the process safety management of highly hazardous chemicals standard under section 1910.119 of title 29, Code of Federal Regulations, promulgated pursuant to section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655), to provide that the definition of the term “retail facility”, when used with respect to a facility that provides direct sales of highly hazardous chemicals to end users or consumers (including farmers or ranchers), means a facility that is exempt from such standard because such facility has obtained more than half of its income during the most recent 12-month period from such direct sales.

Subtitle C—Other Matters

SEC. 9201. REPORT ON REGULATION OF PLANT BIOSTIMULANTS.

(a) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit a report to the President and Congress that identifies potential regulatory and legislative reforms to ensure the expeditious and appropriate review, approval, uniform national labeling, and availability of plant biostimulant products to agricultural producers.

(b) CONSULTATION.—The Secretary of Agriculture shall prepare the report required by subsection (a) in consultation with the Administrator of the Environmental Protection Agency, the several States, industry stakeholders, and such other stakeholders as the Secretary determines necessary.

(c) PLANT BIOSTIMULANT DEFINED.—In this section, the term “plant biostimulant” means a substance or micro-organism that, when applied to seeds, plants, or the rhizosphere, stimulates natural processes to enhance or benefit nutrient uptake, nutrient efficiency, tolerance to abiotic stress, or crop quality and yield.

SEC. 9202. PECAN MARKETING ORDERS.

Section 8(a) of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608e–1(a)), is amended in the first sentence, by inserting “pecans,” after “walnuts,”.

SEC. 9203. REPORT ON HONEY AND MAPLE SYRUP.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report examining the effect of the final rule entitled “Food Labeling: Revision of the Nutrition and Supplement Facts Labels”, published in the Federal Register by the Department of Agriculture on May 27, 2016 (81 Fed. Reg. 33742), (providing for updates to the nutrition facts panel on the labeling of packaged food) has on consumer perception regarding the “added sugar” statement required to be included on such panel by such final rule with respect to packaged food in which no sugar is added during processing, including pure honey and maple syrup.

TITLE X—CROP INSURANCE

SEC. 10001. TREATMENT OF FORAGE AND GRAZING.

(a) AVAILABILITY OF CATASTROPHIC RISK PROTECTION FOR CROPS AND GRASSES USED FOR GRAZING.—Section 508(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(1)) is amended—

(1) by striking “(A) IN GENERAL.—Except as provided in subparagraph (B), the” and inserting “The”; and

(2) by striking subparagraph (B).

(b) LIMITATION ON MULTIPLE BENEFITS FOR SAME LOSS.—Section 508(n)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(n)(2)) is amended by inserting before the period the following: “or to coverage described in section 508D”.

(c) COVERAGE FOR FORAGE AND GRAZING.—The Federal Crop Insurance Act is amended by inserting after section 508C (7 U.S.C. 1508C) the following new section:

“SEC. 508D. COVERAGE FOR FORAGE AND GRAZING.

“Notwithstanding section 508A, and in addition to any other available coverage, for crops that can be both grazed and mechanically harvested on the same acres during the same growing season, producers shall be allowed to purchase, and be

independently indemnified on, separate policies for each intended use, as determined by the Corporation.”.

SEC. 10002. ADMINISTRATIVE BASIC FEE.

Section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) is amended by striking “\$300” and inserting “\$500”.

SEC. 10003. PREVENTION OF DUPLICATIVE COVERAGE.

(a) **IN GENERAL.**—Section 508(c)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(1)) is amended by adding at the end the following new subparagraph:

“(C) **INELIGIBLE CROPS AND ACRES.**—Crops for which the producer has elected under section 1117 of the Agriculture and Nutrition Act of 2018 to receive agriculture risk coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for—

“(i) coverage based on an area yield and loss basis under paragraph (3)(A)(ii); or

“(ii) supplemental coverage under paragraph (4)(C).”.

(b) **CONFORMING AMENDMENTS.**—Section 508(c)(4)(C) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(4)(C)) is amended—

- (1) by striking clause (iv); and
- (2) by redesignating clause (v) as clause (iv).

SEC. 10004. REPEAL OF UNUSED AUTHORITY.

(a) **IN GENERAL.**—Section 508(d) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)) is amended—

- (1) by striking paragraph (3); and
- (2) by redesignating paragraph (4) as paragraph (3).

(b) **CONFORMING AMENDMENTS.**—Section 508(a)(9)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)(B)) is amended—

- (1) in clause (i), by inserting “or” after the semicolon;
- (2) by striking clause (ii); and
- (3) by redesignating clause (iii) as clause (ii).

SEC. 10005. CONTINUED AUTHORITY.

Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) is amended by adding at the end the following new paragraph:

“(6) **CONTINUED AUTHORITY.**—

“(A) **IN GENERAL.**—The Corporation shall establish—

“(i) underwriting rules that limit the decrease in the actual production history of a producer, at the election of the producer, to not more than 10 percent of the actual production history of the previous crop year provided that the production decline was the result of drought, flood, natural disaster, or other insurable loss (as determined by the Corporation); and

“(ii) actuarially sound premiums to cover additional risk.

“(B) **OTHER AUTHORITY.**—The authority provided under subparagraph (A) is in addition to any other authority that adjusts the actual production history of the producer under this Act.

“(C) **EFFECT.**—Nothing in this paragraph shall be construed to require a change in the carrying out of any provision of this Act as the Act was carried out for the 2018 reinsurance year.”.

SEC. 10006. PROGRAM ADMINISTRATION.

Section 516(b)(2)(C)(i) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)(C)(i)) is amended by striking “\$9,000,000” and inserting “\$7,000,000”.

SEC. 10007. MAINTENANCE OF POLICIES.

(a) Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended—

- (1) in paragraph (1), by amending subparagraph (B) to read as follows:

“(B) **REIMBURSEMENT.**—

“(i) **IN GENERAL.**—An applicant who submits a policy under section 508(h) shall be eligible for the reimbursement of reasonable and actual research and development costs directly related to the policy if the policy is approved by the Board for sale to producers.

“(ii) **REASONABLE COSTS.**—For the purpose of reimbursing research and development and maintenance costs under this section, costs of the applicant shall be considered reasonable and actual costs if the costs are based on—

“(I) wage rates equal to 2 times the hourly wage rate plus benefits, as provided by the Bureau of Labor Statistics for the year in

which such costs are incurred, calculated using the formula applied to an applicant by the Corporation in reviewing proposed project budgets under this section on October 1, 2016; or

“(II) actual documented costs incurred by the applicant.”; and

(2) in paragraph (4)—

(A) in subparagraph (C), by striking “approved insurance provider” and inserting “applicant”; and

(B) in subparagraph (D)—

(i) in clause (i), by striking “determined by the approved insurance provider” and inserting “determined by the applicant”;

(ii) by striking clause (ii) and inserting the following new clauses:

“(ii) APPROVAL.—Subject to clause (iii), the Board shall approve the amount of a fee determined under clause (i) unless the Board determines, based on substantial evidence in the record, that the amount of the fee unnecessarily inhibits the use of the policy.

“(iii) CONSIDERATION.—The Board shall not disapprove a fee on the basis of—

“(I) a comparison to maintenance fees paid with respect to the policy; or

“(II) the potential for the fee to result in a financial gain or loss to the applicant based on the number of policies sold.”.

(b) APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall apply to reimbursement requests made on or after October 1, 2016.

(2) RESUBMISSION OF DENIED REQUEST.—An applicant that was denied all or a portion of a reimbursement request under paragraph (1) of section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) during the period between October 1, 2016 and the date of the enactment of this Act shall be given an opportunity to resubmit such request.

SEC. 10008. RESEARCH AND DEVELOPMENT PRIORITIES.

(a) REPEAL OF CERTAIN RESEARCH AND DEVELOPMENT ACTIVITIES.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) by striking paragraphs (7) through (18);

(2) by striking paragraphs (20) through (23); and

(3) by redesignating paragraphs (19) and (24) as paragraphs (7) and (8), respectively.

(b) WHOLE FARM APPLICATION TO BEGINNING FARMERS AND RANCHERS.—Paragraph (7) of section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)), as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

“(E) BEGINNING FARMER OR RANCHER DEFINED.—Notwithstanding section 502(b)(3), with respect to plans described under this paragraph, the term ‘beginning farmer or rancher’ means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years.”.

(c) RESEARCH AND DEVELOPMENT PRIORITIES.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) as amended by subsection (a), is further amended by adding at the end the following new paragraphs:

“(9) TROPICAL STORM OR HURRICANE INSURANCE.—

“(A) IN GENERAL.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure crops, including tomatoes, peppers, and citrus, against losses due to a tropical storm or hurricane.

“(B) RESEARCH AND DEVELOPMENT.—Research and development with respect to the policy required under subparagraph (A) shall—

“(i) evaluate the effectiveness of a risk management tool for a low frequency, catastrophic loss weather event; and

“(ii) provide protection for production or revenue losses, or both.

“(10) SUBSURFACE IRRIGATION PRACTICES.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding the creation of a separate practice for subsurface irrigation, including the establishment of a separate transitional yield within the county that is reflective of the average gain in productivity and yield associated with the installation of a subsurface irrigation system.

“(11) STUDY AND REPORT ON GRAIN SORGHUM RATES AND YIELDS.—

“(A) STUDY.—The Corporation shall contract with a qualified entity to conduct a study to assess the difference in rates, average yields, and cov-

erage levels of grain sorghum policies as compared to other feed grains within a county.

“(B) REPORT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

“(12) QUALITY LOSSES.—

“(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding the establishment of an alternative method of adjusting for quality losses that does not impact the average production history of producers.

“(B) REQUIREMENTS.—Notwithstanding subsections (g) and (m) of section 508, if the Corporation uses any method developed as a result of the contract described in subparagraph (A) to adjust for quality losses, such method shall be—

“(i) optional for producers to elect to use; and

“(ii) offered at an actuarially sound premium rate.”.

SEC. 10009. EXTENSION OF FUNDING FOR RESEARCH AND DEVELOPMENT.

Section 522 of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)(A)—

(A) by striking “under subsections (c) and (d)” and inserting “under subsection (c)” ; and

(B) by striking “not more than \$12,500,000 for fiscal year 2008 and each subsequent fiscal year.” and inserting the following: “not more than—

“(i) \$12,500,000 for fiscal year 2008 through 2018; and”; and

(C) by adding at the end the following:

“(ii) \$8,000,000 for fiscal year 2019 and each fiscal year thereafter.”;

and

(3) by redesignating subsection (e), as so amended, as subsection (d).

SEC. 10010. EDUCATION AND RISK MANAGEMENT ASSISTANCE.

Section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524) is amended to read as follows:

“SEC. 524. EDUCATION AND RISK MANAGEMENT ASSISTANCE.

“(a) EDUCATION ASSISTANCE.—Subject to the amounts made available under subsection (d), the Secretary, acting through the National Institute of Food and Agriculture, shall carry out the program established under subsection (b).

“(b) PARTNERSHIPS FOR RISK MANAGEMENT EDUCATION.—

“(1) AUTHORITY.—The Secretary, acting through the National Institute of Food and Agriculture, shall establish a program under which competitive grants are made to qualified public and private entities (including land-grant colleges, cooperative extension services, and colleges or universities), as determined by the Secretary, for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, farm financial benchmarking, and other risk management strategies.

“(2) BASIS FOR GRANTS.—A grant under this subsection shall be awarded on the basis of merit and shall be subject to peer or merit review.

“(3) OBLIGATION PERIOD.—Funds for a grant under this subsection shall be available to the Secretary for obligation for a 2-year period.

“(4) ADMINISTRATIVE COSTS.—The Secretary may use not more than 4 percent of the funds made available for grants under this subsection for administrative costs incurred by the Secretary in carrying out this subsection.

“(c) REQUIREMENTS.—In carrying out the program established under subsection (b), the Secretary shall place special emphasis on risk management strategies (including farm financial benchmarking), education, and outreach specifically targeted at—

“(1) beginning farmers or ranchers;

“(2) legal immigrant farmers or ranchers that are attempting to become established producers in the United States;

“(3) socially disadvantaged farmers or ranchers; and

“(4) farmers or ranchers that—

“(A) are preparing to retire;

“(B) are using transition strategies to help new farmers or ranchers get started; and

- “(C) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets.
- “(d) FUNDING.—From the insurance fund established under section 516(c), there is transferred for the partnerships for risk management education program established under subsection (b) \$5,000,000 for fiscal year 2018 and each subsequent fiscal year.”.

TITLE XI—MISCELLANEOUS

Subtitle A—Livestock

SEC. 11101. ANIMAL DISEASE PREPAREDNESS AND RESPONSE.

(a) NATIONAL ANIMAL DISEASE PREPAREDNESS AND RESPONSE PROGRAM.—The Animal Health Protection Act is amended by inserting after section 10409A (7 U.S.C. 8308A) the following new section:

“SEC. 10409B. NATIONAL ANIMAL DISEASE PREPAREDNESS AND RESPONSE PROGRAM.

“(a) PROGRAM REQUIRED.—The Secretary shall establish a program, to be known as the ‘National Animal Disease Preparedness and Response Program’, to address the increasing risk of the introduction and spread of animal pests and diseases affecting the economic interests of the livestock and related industries of the United States, including the maintenance and expansion of export markets.

“(b) ELIGIBLE ENTITIES.—To carry out the National Animal Disease Preparedness and Response Program, the Secretary shall offer to enter into cooperative agreements, or other legal instruments, with eligible entities, to be selected by the Secretary, which may include any of the following entities, either individually or in combination:

“(1) A State department of agriculture.

“(2) The office of the chief animal health official of a State.

“(3) A land-grant college or university or NLGCA Institution (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

“(4) A college of veterinary medicine, including a veterinary emergency team at such college.

“(5) A State or national livestock producer organization with direct and significant economic interest in livestock production.

“(6) A State emergency agency.

“(7) A State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association.

“(8) An Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)).

“(9) A Federal agency.

“(c) ACTIVITIES.—

“(1) PROGRAM ACTIVITIES.—Activities under the National Animal Disease Preparedness and Response Program shall include, to the extent practicable, the following:

“(A) Enhancing animal pest and disease analysis and surveillance.

“(B) Expanding outreach and education.

“(C) Targeting domestic inspection activities at vulnerable points in the safeguarding continuum.

“(D) Enhancing and strengthening threat identification and technology.

“(E) Improving biosecurity.

“(F) Enhancing emergency preparedness and response capabilities, including training additional emergency response personnel.

“(G) Conducting technology development and enhancing electronic sharing of animal health data for risk analysis between State and Federal animal health officials.

“(H) Enhancing the development and effectiveness of animal health technologies to treat and prevent animal disease, including—

“(i) veterinary biologics and diagnostics;

“(ii) animal drugs for minor use and minor species; and

“(iii) animal medical devices.

“(I) Such other activities as determined appropriate by the Secretary, in consultation with eligible entities specified in subsection (b).

“(2) PRIORITIES.—In entering into cooperative agreements or other legal instruments under subsection (b), the Secretary shall give priority to applications submitted by—

“(A) a State department of agriculture or an office of the chief animal health official of a State; or

“(B) an eligible entity that will carry out program activities in a State or region—

“(i) in which an animal pest or disease is a Federal concern; or

“(ii) which the Secretary determines has potential for the spread of an animal pest or disease after taking into consideration—

“(I) the agricultural industries in the State or region;

“(II) factors contributing to animal disease or pest in the State or region, such as the climate, natural resources, and geography of, and native and exotic wildlife species and other disease vectors in, the State or region; and

“(III) the movement of animals in the State or region.

“(3) CONSULTATION.—For purposes of setting priorities under this subsection, the Secretary shall consult with eligible entities specified in subsection (b). The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultation carried out under this paragraph.

“(d) APPLICATION.—

“(1) IN GENERAL.—An eligible entity specified in subsection (b) seeking to enter into a cooperative agreement, or other legal instrument, under the National Animal Disease Preparedness and Response Program shall submit to the Secretary an application containing such information as the Secretary may require.

“(2) NOTIFICATION.—The Secretary shall notify each applicant of—

“(A) the requirements to be imposed on the recipient of funds under the Program for auditing of, and reporting on, the use of such funds; and

“(B) the criteria to be used to ensure activities supported using such funds are based on sound scientific data or thorough risk assessments.

“(3) NON-FEDERAL CONTRIBUTIONS.—When deciding whether to enter into an agreement or other legal instrument under the Program with an eligible entity described in subsection (b), the Secretary—

“(A) may take into consideration an eligible entity’s ability to contribute non-Federal funds to carry out such a cooperative agreement or other legal instrument under the Program; and

“(B) shall not require such an entity to make such a contribution.

“(e) USE OF FUNDS.—

“(1) USE CONSISTENT WITH TERMS OF COOPERATIVE AGREEMENT.—The recipient of funds under the National Animal Disease Preparedness and Response Program shall use the funds for the purposes and in the manner provided in the cooperative agreement, or other legal instrument, under which the funds are provided.

“(2) SUB-AGREEMENT.—Nothing in this section prevents an eligible entity from using funds received under the Program to enter into sub-agreements with political subdivisions of State that have legal responsibilities relating to animal disease prevention, surveillance, or rapid response.

“(f) REPORTING REQUIREMENT.—Not later than 90 days after the date of completion of an activity conducted using funds provided under the National Animal Disease Preparedness and Response Program, the recipient of such funds shall submit to the Secretary a report that describes the purposes and results of the activities.”

(b) NATIONAL ANIMAL HEALTH VACCINE BANK.—The Animal Health Protection Act (7 U.S.C. 8301 et seq.) is amended by inserting after section 10409B, as added by subsection (a), the following new section:

“SEC. 10409C. NATIONAL ANIMAL HEALTH VACCINE BANK.

“(a) ESTABLISHMENT.—The Secretary shall establish a national vaccine bank (to be known as the ‘National Animal Health Vaccine Bank’) for the benefit of the domestic interests of the United States and to help protect the United States agriculture and food system against terrorist attack, major disaster, and other emergencies.

“(b) ELEMENTS OF VACCINE BANK.—Through the National Animal Health Vaccine Bank, the Secretary shall—

“(1) maintain sufficient quantities of animal vaccine, antiviral, therapeutic, or diagnostic products to appropriately and rapidly respond to an outbreak of those animal diseases that would have the most damaging effect on human health or the United States economy; and

“(2) leverage, when appropriate, the mechanisms and infrastructure that have been developed for the management, storage, and distribution of the National Veterinary Stockpile of the Animal and Plant Health Inspection Service.

“(c) PRIORITY FOR RESPONSE TO FOOT AND MOUTH DISEASE.—The Secretary shall prioritize the acquisition of sufficient quantities of foot and mouth disease vaccine, and accompanying diagnostic products, for the National Animal Health Vaccine Bank. As part of such prioritization, the Secretary shall consider contracting with one or more entities that are capable of producing foot and mouth disease vaccine and that have surge production capacity of the vaccine.”.

(c) FUNDING.—

(1) IN GENERAL.—Section 10417 of the Animal Health Protection Act (7 U.S.C. 8316) is amended by adding at the end the following new subsection:

“(d) AVAILABILITY OF FUNDS FOR SPECIFIED PURPOSES.—

“(1) MANDATORY FUNDING.—

“(A) FISCAL YEAR 2019.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available for fiscal year 2019 \$250,000,000 to carry out sections 10409A, 10409B, and 10409C, of which—

“(i) \$30,000,000 shall be made available to carry out the National Animal Health Laboratory Network under section 10409A;

“(ii) \$70,000,000 shall be made available to carry out the National Animal Disease Preparedness and Response Program under section 10409B; and

“(iii) \$150,000,000 shall be made available to establish and maintain the National Animal Health Vaccine Bank under section 10409C.

“(B) SUBSEQUENT FISCAL YEARS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out sections 10409A, 10409B, and 10409C, \$50,000,000 for each of fiscal years 2020 through 2023, of which not less than \$30,000,000 shall be made available for each of those fiscal years to carry out the National Animal Disease Preparedness and Response Program under section 10409B.

“(2) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.—In addition to the funds made available under subparagraphs (A)(i) and (B) of paragraph (1) and funds authorized to be appropriated by subsection (a), there are authorized to be appropriated \$15,000,000 for each of fiscal years 2019 through 2023 to carry out the National Animal Health Laboratory Network under section 10409A.

“(3) ADMINISTRATIVE COSTS.—Of the funds made available under subparagraphs (A)(i), (A)(ii), and (B) and subparagraph (B) of paragraph (1), not more than four percent may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out the National Animal Health Laboratory Network under section 10409A and the National Animal Disease Preparedness and Response Program under section 10409B. Of the funds made available under subparagraphs (A)(ii) and (B) to carry out the National Animal Disease Preparedness and Response Program under section 10409B and (B) of such paragraph, not more than ten percent may be retained by an eligible entity to pay administrative costs incurred by the eligible entity to carry out such program.

“(4) DURATION OF AVAILABILITY.—Funds made available under this subsection, including any proceeds credited under paragraph (5), shall remain available until expended.

“(5) PROCEEDS FROM VACCINE SALES.—Any proceeds of a sale of vaccine or antigen from the National Animal Health Vaccine Bank shall be—

“(A) deposited into the Treasury of the United States; and

“(B) credited to the account for the operation of the National Animal Health Vaccine Bank.

“(6) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—Funds made available under the National Animal Health Laboratory Network, the National Animal Disease Preparedness and Response Program, and the National Animal Health Vaccine Bank shall not be used for the construction of a new building or facility or the acquisition or expansion of an existing building or facility, including site grading and improvement and architect fees.”.

(2) CONFORMING AMENDMENTS.—

(A) SECTION HEADING.—The heading of section 10417 of the Animal Health Protection Act (7 U.S.C. 8316) is amended to read as follows:

“SEC. 10417. FUNDING.”.

(B) OTHER AMENDMENTS.—Section 10417 of the Animal Health Protection Act (7 U.S.C. 8316) is further amended—

(i) in subsection (a), by striking “IN GENERAL” and inserting “GENERAL AUTHORIZATION OF APPROPRIATIONS”; and

(ii) in subsection (c), by striking “to carry out this subtitle” and inserting “pursuant to the authorization of appropriations in subsection (a)”.

(3) REPEAL OF SEPARATE AUTHORIZATION OF NATIONAL ANIMAL HEALTH LABORATORY NETWORK.—Section 10409A of the Animal Health Protection Act (7 U.S.C. 8308A(d)) is amended by striking subsection (d).

SEC. 11102. NATIONAL AQUATIC ANIMAL HEALTH PLAN.

Section 11013(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking “2018” and inserting “2023”.

SEC. 11103. VETERINARY TRAINING.

Section 10504 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8318) is amended—

(1) by inserting “and veterinary teams, including those based at colleges of veterinary medicine,” after “veterinarians”; and

(2) by inserting before the period at the end the following: “and who are capable of providing effective services before, during, and after emergencies”.

SEC. 11104. REPORT ON FSIS GUIDANCE AND OUTREACH TO SMALL MEAT PROCESSORS.

Not later than one year after the date of the enactment of this Act, the Inspector General of the Department of Agriculture shall submit to the Secretary a report on the effectiveness of existing Food Safety and Inspection Service guidance materials and other tools used by small and very small establishments, as defined by regulations issued by the Food Safety and Inspection Service, as in effect on such date of enactment, including—

(1) an evaluation of the effectiveness of the outreach conducted by the Food Safety and Inspection Service to small and very small establishments;

(2) an evaluation of the effectiveness of the guidance materials and other tools used by the Food Safety and Inspection Service to assist small and very small establishments;

(3) an evaluation of the responsiveness of Food Safety and Inspection Service personnel to inquiries and issues from small and very small establishments; and

(4) recommendations on measures the Food Safety and Inspection Service should take to improve regulatory clarity and consistency and ensure all guidance materials and other tools take into account small and very small establishments.

Subtitle B—Beginning, Socially Disadvantaged, and Veteran Producers

SEC. 11201. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.

Section 2501(a)(4) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(4)) is amended—

(1) in subparagraph (A)—

(A) in the heading, by striking “2018” and inserting “2023”; and

(B) in clause (iii), by striking “2018” and inserting “2023”;

(2) by redesignating subparagraph (E) as subparagraph (F);

(3) by inserting after subparagraph (D) the following new subparagraph:

“(E) PRIORITY.—In making grants and entering into contracts and other agreements under this section, the Secretary shall give priority to projects that—

“(i) deliver agricultural education to youth under the age of 18 in underserved and underrepresented communities;

“(ii) provide youth under the age of 18 with agricultural employment or volunteer opportunities, or both; and

“(iii) demonstrate experience in providing such education or opportunities to socially disadvantaged youth.”; and

(4) in subparagraph (F), as so redesignated, by striking “2018” and inserting “2023”.

SEC. 11202. OFFICE OF PARTNERSHIPS AND PUBLIC ENGAGEMENT.

(a) CHANGING NAME OF OFFICE.—

(1) IN GENERAL.—Section 226B of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934) is amended—

(A) in the section heading, by striking “ADVOCACY AND OUTREACH” and inserting “PARTNERSHIPS AND PUBLIC ENGAGEMENT”;

(B) by striking “Advocacy and Outreach” each place it appears in subsections (a)(2), (b)(1), and (d)(4)(B) and inserting “Partnerships and Public Engagement”;

(2) REFERENCES.—Beginning on the date of the enactment of this Act, any reference to the Office of Advocacy and Outreach established under section 226B of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934) in any other provision of Federal law shall be deemed to be a reference to the Office of Partnerships and Public Engagement.

(b) INCREASING OUTREACH.—Section 226B of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934), as amended by subsection (a), is further amended—

(1) in subsection (b)(1)—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B)—

(i) in clause (ii), by striking “and” at the end;

(ii) in clause (iii), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following new clauses:

“(iv) limited resource producers;

“(v) veteran farmers and ranchers; and

“(vi) Tribal farmers and ranchers; and”;

(C) by adding at the end the following new subparagraph:

“(C) to promote youth outreach.”; and

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by inserting “veteran farmers and ranchers, Tribal farmers and ranchers,” after “beginning farmers or ranchers,”;

(B) in paragraph (1), by striking “or socially disadvantaged” and inserting “socially disadvantaged, veteran, or Tribal”; and

(C) in paragraph (5), by inserting “veteran farmers or ranchers, Tribal farmers or ranchers,” after “beginning farmers or ranchers,”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 226B(f)(3)(B) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(f)(3)(B)) is amended by striking “2018” and inserting “2023”.

(d) OFFICE OF TRIBAL RELATIONS.—Section 309 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6921) is amended by striking “of the Secretary” and inserting “of Partnerships and Public Engagement established under section 226B”.

SEC. 11203. COMMISSION ON FARM TRANSITIONS—NEEDS FOR 2050.

(a) ESTABLISHMENT.—There is established a commission to be known as the “Commission on Farm Transitions—Needs for 2050” (referred to in this section as the “Commission”).

(b) STUDY.—The Commission shall conduct a study on issues impacting the transition of agricultural operations from established farmers and ranchers to the next generation of farmers and ranchers, including—

(1) access to, and availability of—

(A) quality land and necessary infrastructure;

(B) affordable credit; and

(C) adequate risk management tools;

(2) agricultural asset transfer strategies in use as of the date of the enactment of this Act and improvements to such strategies;

(3) incentives that may facilitate agricultural asset transfers to the next generation of farmers and ranchers, including recommendations for new Federal tax policies to facilitate lifetime and estate transfers;

(4) the causes of the failures of such transitions, if any; and

(5) the status of programs and incentives providing assistance with respect to such transitions in effect on the date of the enactment of this Act, and opportunities for the revision or modernization of such programs.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 10 members as follows:

(A) 3 members appointed by the Secretary.

(B) 3 members appointed by the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) 3 members appointed by the Committee on Agriculture of the House of Representatives.

(D) The Chief Economist of the Department of Agriculture.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—In addition to the Chief Economist of the Department of Agriculture, the membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) **DATE OF APPOINTMENTS.**—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(4) **TERM; VACANCIES.**—

(A) **TERM.**—A member shall be appointed for the life of the Commission.

(B) **VACANCIES.**—A vacancy on the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled in the same manner as the original appointment was made.

(5) **INITIAL MEETING.**—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(d) **QUORUM.**—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(e) **CHAIRPERSON.**—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

(f) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study required by subsection (b), including such recommendations as the Commission considers appropriate.

(g) **HEARINGS.**—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this section.

(h) **INFORMATION FROM FEDERAL AGENCIES.**—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this section. On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(i) **POSTAL SERVICES.**—The Commission may use the United States mail in the same manner and under the same conditions as other agencies of the Federal Government.

(j) **ASSISTANCE FROM SECRETARY.**—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

(k) **COMPENSATION OF MEMBERS.**—

(1) **NON-FEDERAL EMPLOYEES.**—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) **FEDERAL EMPLOYEES.**—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(3) **TRAVEL EXPENSES.**—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(l) **FEDERAL ADVISORY COMMITTEE ACT.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 11204. AGRICULTURAL YOUTH ORGANIZATION COORDINATOR.

Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 220 (7 U.S.C. 6920) the following new section:

“SEC. 221. AGRICULTURAL YOUTH ORGANIZATION COORDINATOR.

“(a) **AUTHORIZATION.**—The Secretary shall establish in the Department the position of Agricultural Youth Organization Coordinator.

“(b) **DUTIES.**—The Agricultural Youth Organization Coordinator shall—

“(1) promote the role of youth-serving organizations and school-based agricultural education in motivating and preparing young people to pursue careers in the agriculture, food, and natural resources systems;

“(2) work to help build awareness of the reach and importance of agriculture, across a diversity of fields and disciplines;

“(3) identify short-term and long-term interests of the Department and provide opportunities, resources, input, and coordination with programs and agencies of the Department to youth-serving organizations and school-based agricultural education, including the development of internship opportunities;

“(4) share, internally and externally, the extent to which active steps are being taken to encourage collaboration with, and support of, youth-serving organizations and school-based agricultural education;

“(5) provide information to young farmers concerning the availability of, and eligibility requirements for, participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;

“(6) serve as a resource for assisting young farmers in applying for participation in agricultural programs; and

“(7) advocate on behalf of young farmers in interactions with employees of the Department.

“(c) **CONTRACTS AND COOPERATIVE AGREEMENTS.**—For purposes of carrying out the duties under subsection (b), the Agricultural Youth Organization Coordinator shall consult with the cooperative extension and the land-grant university systems, and may enter into contracts or cooperative agreements with the research centers of the Agricultural Research Service, cooperative extension and the land-grant university systems, non-land-grant colleges of agriculture, or nonprofit organizations for—

“(1) the conduct of regional research on the profitability of small farms;

“(2) the development of educational materials;

“(3) the conduct of workshops, courses, and certified vocational training;

“(4) the conduct of mentoring activities; or

“(5) the provision of internship opportunities.”.

Subtitle C—Textiles

SEC. 11301. REPEAL OF PIMA AGRICULTURE COTTON TRUST FUND.

Effective December 31, 2018, the Agricultural Act of 2014 (7 U.S.C. 2101 note; Public Law 113–79) is amended by striking section 12314 (and by conforming the items relating to such section in the table of sections accordingly).

SEC. 11302. REPEAL OF AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND.

Effective December 31, 2018, the Agricultural Act of 2014 (7 U.S.C. 2101 note; Public Law 113–79) is amended by striking section 12315 (and by conforming the items relating to such section in the table of sections accordingly).

SEC. 11303. REPEAL OF WOOL RESEARCH AND PROMOTION GRANTS FUNDING.

Effective December 31, 2018, the Agricultural Act of 2014 (7 U.S.C. 2101 note; Public Law 113–79) is amended by striking section 12316 (and by conforming the items relating to such section in the table of sections accordingly).

SEC. 11304. TEXTILE TRUST FUND.

(a) **ESTABLISHMENT.**—There is established in the Treasury of the United States a trust fund, to be known as the “Textile Trust Fund”, consisting of such amounts as may be transferred to the Textile Trust Fund pursuant to subsection (e), and to be used for the purposes of—

(1) reducing the injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric;

(2) reducing the injury to domestic manufacturers resulting from tariffs on wool products that are higher than tariffs on certain apparel articles made of wool products; and

(3) wool research and promotion.

(b) **DISTRIBUTION OF FUNDS.**—From amounts in the Textile Trust Fund, the Secretary shall make payments annually, beginning in calendar year 2019, for each of calendar years 2019 through 2023 as follows:

(1) **PIMA COTTON.**—From amounts specified in subsection (e)(2)(A), the Secretary shall make payments as follows:

(A) Twenty-five percent of such amounts for a calendar year shall be paid to one or more nationally recognized associations established for the promotion of pima cotton for use in textile and apparel goods.

(B) Twenty-five percent of such amounts for a calendar year shall be paid to yarn spinners of pima cotton that produce ring spun cotton yarns in the United States, to be allocated to each spinner in an amount that bears the same ratio as—

(i) the spinner’s production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number) from pima cotton in

single and plied form during the previous calendar year (as evidenced by an affidavit provided by the spinner that meets the requirements of subsection (c)(1)); bears to

(ii) the production of the yarns described in clause (i) during the previous calendar year for all spinners who qualify under this subparagraph.

(C) Fifty percent of such amounts for a calendar year shall be paid to manufacturers who cut and sew cotton shirts in the United States who certify that they used imported cotton fabric during the previous calendar year, to be allocated to each such manufacturer in an amount that bears the same ratio as—

(i) the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during the previous calendar year (as evidenced by an affidavit provided by the manufacturer that meets the requirements of subsection (c)(2)) used in the manufacturing of men's and boys' cotton shirts; bears to

(ii) the dollar value (excluding duty, shipping, and related costs) of the fabric described in clause (i) purchased during the previous calendar year by all manufacturers who qualify under this subparagraph.

(2) WOOL MANUFACTURERS.—From amounts specified in subsection (e)(2)(B), the Secretary shall make payments as follows:

(A) To each eligible manufacturer under paragraph (3) of section 4002(c) of the Wool Suit and Textile Trade Extension Act of 2004 (Public Law 108–429; 118 Stat. 2600), as amended by section 1633(c) of the Miscellaneous Trade and Technical Corrections Act of 2006 (Public Law 109–280; 120 Stat. 1166) and section 325(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (division C of Public Law 110–343; 122 Stat. 3875), and any successor-in-interest to such a manufacturer as provided for under paragraph (4) of such section 4002(c), that submits an affidavit in accordance with subsection (c)(3) for the year of the payment for calendar years 2019 through 2023, payments in amounts authorized under that paragraph.

(B) To each eligible manufacturer under paragraph (6) of such section 4002(c) for calendar years 2019 through 2023, payments in amounts authorized under that paragraph.

(c) AFFIDAVITS.—

(1) YARN SPINNERS.—The affidavit required by subsection (b)(1)(B)(i) for a calendar year is a notarized affidavit provided by an officer of a producer of ring spun yarns that affirms—

(A) that the producer used pima cotton during the year in which the affidavit is filed and during the previous calendar year to produce ring spun cotton yarns in the United States, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form;

(B) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during the previous calendar year; and

(C) that the producer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during the previous calendar year.

(2) SHIRTING MANUFACTURERS.—

(A) IN GENERAL.—The affidavit required by subsection (b)(1)(C)(i) for a calendar year is a notarized affidavit provided by an officer of a manufacturer of men's and boys' shirts that affirms—

(i) that the manufacturer used imported cotton fabric during the year in which the affidavit is filed and during the previous calendar year, to cut and sew men's and boys' woven cotton shirts in the United States;

(ii) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during the previous calendar year;

(iii) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(iv) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(B) DATE OF PURCHASE.—For purposes of the affidavit under subparagraph (A), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(3) FILING DATE FOR AFFIDAVITS.—Any person required to provide an affidavit under this section shall file the affidavit with the Secretary or as directed by the Secretary for any of calendar years 2019 through 2023, not later than March 15 of that calendar year.

(4) INCREASE IN PAYMENTS TO WOOL MANUFACTURERS IN CASE OF EXPIRATION OF DUTY SUSPENSIONS.—

(A) IN GENERAL.—In any calendar year in which the suspension of duty on wool products described in subparagraphs (B) and (C) is not in effect, the amount of any payment described in subsection (b)(2) to a manufacturer or successor-in-interest shall be increased by an amount the Secretary, after consultation with the Secretary of Commerce, determines is equal to the amount the manufacturer or successor-in-interest would have saved during the calendar year of the payment if the suspension of duty on such wool products were in effect.

(B) SPECIAL RULE FOR CERTAIN FABRICS OF WORSTED WOOL.—

(i) IN GENERAL.—With respect to fabrics of worsted wool described in clause (ii), subparagraph (A) shall be applied by substituting “rate of duty on such wool products was 10 percent” for “suspension of duty on such wool products were in effect”.

(ii) FABRICS OF WORSTED WOOL DESCRIBED.—Fabrics of worsted wool described in this paragraph are fabrics of worsted wool—

- (I) with average fiber diameters greater than 18.5 micron; and
- (II) containing 85 percent or more by weight of wool.

(C) COVERED WOOL PRODUCTS.—Subparagraph (A) applies with respect to the following:

(i) Yarn, of combed wool, not put up for retail sale, containing 85 percent or more by weight of wool, formed with wool fibers having average diameters of 18.5 micron or less.

(ii) Wool fiber, waste, garnetted stock, combed wool, or wool top, the foregoing having average fiber diameters of 18.5 micron or less.

(iii) Fabrics of combed wool, containing 85 percent or more by weight of wool, with wool yarns of average fiber diameters of 18.5 micron or less, certified by the importer as suitable for use in making men’s and boys suits, suit-type jackets, or trousers and must be imported for the benefit of persons who cut and sew such clothing in the United States.

(iv) Fabrics of combed wool, containing 85 percent or more by weight of wool, with wool yarns of average fiber diameters of 18.5 micron or less, certified by the importer as suitable for use in making men’s and boys suits, suit-type jackets, or trousers and must be imported for the benefit of persons who weave worsted wool fabric suitable for use in such clothing in the United States.

(D) NO APPEAL OF DETERMINATIONS.—A determination of the Secretary under this paragraph shall be final and not subject to appeal or protest.

(d) TIMING FOR DISTRIBUTIONS.—The Secretary shall make a payment under subsection (b) for each of calendar years 2019 through 2023, not later than April 15 of the year of the payment.

(e) FUNDING.—

(1) TRANSFER REQUIRED.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Textile Trust Fund \$25,250,000 for each of calendar years 2019 through 2023.

(2) ALLOCATION OF FUNDS.—Of the funds transferred under paragraph (1) for a calendar year—

(A) \$8,000,000 shall be available for distribution under subsection (b)(1);

(B) \$15,000,000 shall be available for distribution under subsection (b)(2);

and

(C) notwithstanding subsection (f) of section 506 of the Trade and Development Act of 2000 (7 U.S.C. 7101 note; Public Law 106–200), \$2,250,000 shall be available to provide grants described in subsection (d) of such section.

(3) SHEEP PRODUCTION AND MARKETING.—In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out section 209 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627a), \$2,000,000 for fiscal year 2019, to remain available until expended.

(4) DURATION OF AVAILABILITY.—Amounts transferred to the Textile Trust Fund pursuant to this subsection shall remain available until expended.

Subtitle D—United States Grain Standards Act

SEC. 11401. RESTORING CERTAIN EXCEPTIONS TO UNITED STATES GRAIN STANDARDS ACT.

(a) **IN GENERAL.**—Grain handling facilities described in subsection (b) may, on or before the date that is 180 days after the date of the enactment of this Act, restore a prior exception with an official agency designated under the rule entitled “Exceptions to Geographic Areas for Official Agencies Under the USGSA” published by the Department of Agriculture in the Federal Register on April 18, 2003 (68 Fed. Reg. 19137) if—

- (1) such grain handling facility and official agency agree to restore such prior exception; and
- (2) such grain handling facility notifies the Secretary of Agriculture of—
 - (A) the exception described in paragraph (1); and
 - (B) the effective date of such exception.

(b) **ELIGIBLE GRAIN HANDLING FACILITIES.**—Subsection (a) shall apply with respect to grain handling facilities that were—

- (1) granted exceptions pursuant to the rule specified in subsection (a); and
- (2) had such exceptions revoked on or after September 30, 2015.

(c) **NO UNILATERAL TERMINATION ALLOWED.**—Beginning on the date of the enactment of this Act, a nonuse of service exception may only be terminated if two or more parties to such exception, including the grain handling facility, are in joint agreement with respect to such termination.

Subtitle E—Noninsured Crop Disaster Assistance Program

SEC. 11501. ELIGIBLE CROPS.

Section 196(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

“(A) **IN GENERAL.**—Subject to subparagraph (B), in this section, the term ‘eligible crop’ means each commercial crop or other agricultural commodity that is produced for food or fiber (except livestock) for which catastrophic risk protection under subsection (b) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) and additional coverage under subsections (c) and (h) of such section are not available or, if such coverage is available, it is only available under a policy that provides coverage for specific intervals based on weather indexes or under a whole farm plan of insurance.”.

SEC. 11502. SERVICE FEE.

Section 196(k)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(k)(1)) is amended—

- (1) in subparagraph (A), by striking “\$250” and inserting “\$350”; and
- (2) in subparagraph (B)—
 - (A) by striking “\$750” and inserting “\$1,050”; and
 - (B) by striking “\$1,875” and inserting “\$2,100”.

SEC. 11503. PAYMENTS EQUIVALENT TO ADDITIONAL COVERAGE.

(a) **PREMIUMS.**—Section 196(l)(2)(B)(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(l)(2)(B)(i)) is amended—

- (1) by striking “and” at the end of subclause (IV);
- (2) by striking “or” at the end of subclause (V) and inserting “and”; and
- (3) by adding at the end the following new subclause:

“(VI) the producer’s share of the crop; or”.

(b) **ADDITIONAL AVAILABILITY OF COVERAGE.**—Section 196(l) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(l)) is amended—

- (1) by striking paragraph (3); and
- (2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(c) **PERIOD OF AVAILABILITY.**—Paragraph (4) of section 196(l) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(l)), as redesignated by subsection (b)(2), is amended—

- (1) by striking “Except as provided in paragraph (3)(A), additional” and inserting “Additional”; and
- (2) by striking “2018” and inserting “2023”.

Subtitle F—Other Matters

SEC. 11601. UNDER SECRETARY OF AGRICULTURE FOR FARM PRODUCTION AND CONSERVATION.

(a) REFERENCES TO FORMER UNDER SECRETARY OF AGRICULTURE FOR FARM AND FOREIGN AGRICULTURAL SERVICES.—

(1) FOOD AID CONSULTATIVE GROUP.—Section 205(b) of the Food for Peace Act (7 U.S.C. 1725(b)) is amended by striking paragraph (2) and inserting the following new paragraph:

“(2) the Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs;”.

(2) OFFICE OF RISK MANAGEMENT.—Section 226A(d)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933(d)(1)) is amended by striking “Under Secretary of Agriculture for Farm and Foreign Agricultural Services” and inserting “Under Secretary of Agriculture for Farm Production and Conservation”.

(3) MULTIAGENCY TASK FORCE.—Section 242(b)(3) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6952(b)(3)) is amended by striking “Under Secretary for Farm and Foreign Agricultural Services” and inserting “Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs”.

(4) INTERAGENCY COMMITTEE ON MINORITY CAREERS IN INTERNATIONAL AFFAIRS.—Section 625(c)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1131c(c)(1)(A)) is amended by striking “Under Secretary for Farm and Foreign Agricultural Services” and inserting “Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs”.

(b) REFERENCES TO OTHER DESIGNATED DEPARTMENT OFFICIALS.—

(1) DEFINITIONS UNDER CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 343(a)(13)(D) of the Agricultural Act of 1961 (7 U.S.C. 1991(a)(13)(D)) is amended—

(A) in clause (ii)—

(i) by inserting “(or other official designated by the Secretary)” after “Under Secretary for Rural Development”; and

(ii) by inserting “or designated official” after “Under Secretary” each other place it appears; and

(B) in clause (iii)—

(i) by inserting “(or other official designated by the Secretary)” after “Under Secretary for Rural Development”; and

(ii) in subclauses (III) and (IV), by inserting “or designated official” after “Under Secretary” both places it appears.

(2) NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.—Section 210(f)(3)(B)(i) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1627b(f)(3)(B)(i)) is amended by inserting “(or other official designated by the Secretary of Agriculture)” after “Under Secretary of Agriculture for Rural Development”.

(3) INTERTRIBAL TOURISM DEMONSTRATION PROJECTS.—Section 6(a)(2)(A) of the Native American Business Development, Trade Promotion, and Tourism Act of 2000 (25 U.S.C. 4305(a)(2)(A)) is amended by inserting “(or other official designated by the Secretary of Agriculture)” after “Under Secretary of Agriculture for Rural Development”.

(4) STATE PLANS FOR VOCATIONAL REHABILITATION SERVICES.—Section 101(a)(11)(C) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(C)) is amended by inserting “(or other official designated by the Secretary of Agriculture)” after “Under Secretary for Rural Development of the Department of Agriculture”.

SEC. 11602. AUTHORITY OF SECRETARY TO CARRY OUT CERTAIN PROGRAMS UNDER DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994.

Section 296(b)(8) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)(8)) is amended by inserting “, section 772 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018, or the Agriculture and Nutrition Act of 2018” before the period at the end.

SEC. 11603. CONFERENCE REPORT REQUIREMENT THRESHOLD.

Section 14208(a)(3)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2255b(a)(3)(A)) is amended by striking “\$10,000” and inserting “\$75,000”.

SEC. 11604. NATIONAL AGRICULTURE IMAGERY PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, acting through the Administrator of the Farm Service Agency, shall carry out a national agriculture imagery program

to annually acquire aerial imagery during agricultural growing seasons from the continental United States.

(b) DATA.—The aerial imagery acquired under this section shall—

- (1) consist of high resolution processed digital imagery;
- (2) be made available in a format that can be provided to Federal, State, and private sector entities;
- (3) be technologically compatible with geospatial information technology; and
- (4) be consistent with the standards established by the Federal Geographic Data Committee.

(c) SUPPLEMENTAL SATELLITE IMAGERY.—The Secretary of Agriculture may supplement the aerial imagery collected under this section with satellite imagery.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$23,000,000 for fiscal year 2019 and each fiscal year thereafter.

SEC. 11605. REPORT ON INCLUSION OF NATURAL STONE PRODUCTS IN COMMODITY PROMOTION, RESEARCH, AND INFORMATION ACT OF 1996.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives a report examining the effect the establishment of a Natural Stone Research and Promotion Board pursuant to the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7401 et seq.) would have on the natural stone industry, including how such a program would effect—

- (1) research conducted on, and the promotion of, natural stone;
- (2) the development and expansion of domestic markets for natural stone;
- (3) economic activity of the natural stone industry subject to such a Board;
- (4) economic development in rural areas; and
- (5) benefits to consumers in the United States of natural stone products.

SEC. 11606. SOUTH CAROLINA INCLUSION IN VIRGINIA/CAROLINA PEANUT PRODUCING REGION.

Section 1308(c)(2)(B)(iii) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7958(c)(2)(B)(iii)) is amended by striking “Virginia and North Carolina” and inserting “Virginia, North Carolina, and South Carolina”.

SEC. 11607. ESTABLISHMENT OF FOOD LOSS AND WASTE REDUCTION LIAISON.

Subtitle A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.), as amended by section 11204, is further amended by adding at the end the following:

“SEC. 222. FOOD LOSS AND WASTE REDUCTION LIAISON.

“(a) ESTABLISHMENT.—The Secretary shall establish within the Office of the Secretary a Food Loss and Waste Reduction Liaison to coordinate Federal programs to measure and reduce the incidence of food loss and waste in accordance with this section.

“(b) DUTIES.—The Food Loss and Waste Reduction Liaison shall—

- “(1) coordinate food loss and waste reduction efforts with other Federal agencies, including the Environmental Protection Agency and the Food and Drug Administration;
- “(2) support and promote Federal programs to measure and reduce the incidence of food loss and waste and increase food recovery;
- “(3) provide information to, and serve as a resource for, entities engaged in food loss and waste reduction and food recovery concerning the availability of, and eligibility requirements for, participation in Federal programs;
- “(4) raise awareness of the liability protections afforded under the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791) to persons engaged in food loss and waste reduction and food recovery; and
- “(5) make recommendations with respect to expanding food recovery efforts and reducing the incidence of food loss and waste.

“(c) COOPERATIVE AGREEMENTS.—For purposes of carrying out the duties under subsection (b), the Food Loss and Waste Reduction Liaison may enter into contracts or cooperative agreements with the research centers of the Research, Education, and Economics mission area, institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), or nonprofit organizations for—

- “(1) the development of educational materials;
- “(2) the conduct of workshops and courses; or
- “(3) the conduct of research on best practices with respect to food loss and waste reduction and food recovery.”.

SEC. 11608. COTTON CLASSIFICATION SERVICES.

Section 3a of the Act of March 3, 1927 (7 U.S.C. 473a), is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

“(g) **HIRING AUTHORITY.**—Notwithstanding any other provision of law, employees hired to provide cotton classification services pursuant to this section may work up to 240 calendar days in a service year and may be rehired non-competitively every year in the same or a successor position if they meet performance and conduct expectations, as determined by the Secretary.”.

SEC. 11609. CENTURY FARMS PROGRAM.

The Secretary shall establish a program under which the Secretary recognizes any farm that—

(1) a State department of agriculture or similar statewide agricultural organization recognizes as a Century Farm; or

(2)(A) is defined as a farm or ranch under section 4284.902 of title 7, Code of Federal Regulations (as in effect on the date of enactment of this Act);

(B) has been in continuous operation for at least 100 years; and

(C) has been owned by the same family for at least 100 consecutive years, as verified through deeds, wills, abstracts, tax statements, or other similar legal documents considered appropriate by the Secretary.

SEC. 11610. REPORT ON AGRICULTURAL INNOVATION.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency and the Commissioner of the Food and Drug Administration, shall prepare and submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on plans for improving the Federal government’s policies and procedures with respect to gene editing and other precision plant breeding methods.

(b) **CONTENT.**—The report under subsection (a) shall include plans to implement measures designed to ensure that—

(1) the United States continues to provide a favorable environment for research and development in precision plant breeding innovation and maintains its leadership with respect to that innovation;

(2) for plants for which premarket review is required under the Plant Protection Act (7 U.S.C. 7701 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136), or the Federal Food, Drug, and Cosmetic Act, the process for such review is designed—

(A) to minimize regulatory burden while assuring protection of public health and welfare; and

(B) to ensure that resources of the Department of Agriculture are focused on plants with less familiar characteristics, more complex risk pathways, or both;

(3) each agency referred to in subsection (a) recognizes that certain applications of gene editing in plants do not warrant such a premarket review process;

(4) each agency referred to in subsection (a) clearly communicates the rationale for the regulatory policies and decisions of such agency to the public through broadly available and easily accessible tools;

(5) categories of plants that are familiar and have a history of safe use be identified and exempted from such premarket review or be subject to an expedited, independent premarket review process for which data requirements are reduced;

(6) regulatory processes of each agency referred to in subsection (a) are predictable, efficient, not duplicative, and designed to accommodate rapid advances in plant breeding technology; and

(7) where Federal law provides for regulatory oversight of plant breeding technology by more than one Federal agency, the relevant Federal agencies enter into appropriate interagency agreements to shift responsibility for particular categories of plant products and regulatory activities for purposes of meeting the goals specified in paragraphs (1) through (6).

SEC. 11611. REPORT ON DOG IMPORTATION.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, in consultation with the Secretary of Commerce, the Secretary of Health and Human Services, and the Secretary of Homeland Security, shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains the following information, with respect to the importation of dogs into the United States:

(1) An estimate of the number of dogs so imported each year.

- (2) The number of dogs so imported for resale.
- (3) The number of dogs for which such importation for resale was requested but denied because such importation failed to meet the requirements of section 18 of the Animal Welfare Act (7 U.S.C. 2148).
- (4) The Secretary's recommendations for Federal statutory changes determined to be necessary for such importation for resale to meet the requirements of such section.

SEC. 11612. PROHIBITION ON SLAUGHTER OF DOGS AND CATS FOR HUMAN CONSUMPTION.

The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended by adding at the end the following new section:

“SEC. 30. PROHIBITION OF SLAUGHTER OF DOGS AND CATS FOR HUMAN CONSUMPTION.

- “(a) **PROHIBITION.**—No person may—
- “(1) knowingly slaughter a dog or cat for human consumption; or
 - “(2) knowingly ship, transport, move, deliver, receive, possess, purchase, sell, or donate—
 - “(A) a dog or cat to be slaughtered for human consumption; or
 - “(B) dog or cat parts for human consumption.
- “(b) **PENALTY.**—Any person who violates this section shall be subject to imprisonment for not more than 1 year, or a fine of not more than \$2,500, or both.
- “(c) **SCOPE.**—Subsection (a) shall apply only with respect to conduct in or affecting interstate or foreign commerce or within the special maritime and territorial jurisdiction of the United States.
- “(d) **CONFLICT WITH STATE LAW.**—This section shall not be construed to limit any State or local law or regulations protecting the welfare of animals or to prevent a State or local governing body from adopting and enforcing animal welfare laws and regulations that are more stringent than this section.”.

Subtitle G—Protecting Interstate Commerce

SEC. 11701. PROHIBITION AGAINST INTERFERENCE BY STATE AND LOCAL GOVERNMENTS WITH PRODUCTION OR MANUFACTURE OF ITEMS IN OTHER STATES.

(a) **IN GENERAL.**—Consistent with article I, section 8, clause 3 of the Constitution of the United States, the government of a State or locality therein shall not impose a standard or condition on the production or manufacture of any agricultural product sold or offered for sale in interstate commerce if—

- (1) such production or manufacture occurs in another State; and
- (2) the standard or condition is in addition to the standards and conditions applicable to such production or manufacture pursuant to—
 - (A) Federal law; and
 - (B) the laws of the State and locality in which such production or manufacture occurs.

(b) **AGRICULTURAL PRODUCT DEFINED.**—In this section, the term “agricultural product” has the meaning given such term in section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626).

SEC. 11702. FEDERAL CAUSE OF ACTION TO CHALLENGE STATE REGULATION OF INTERSTATE COMMERCE.

(a) **PRIVATE RIGHT OF ACTION.**—A person, including a producer, transporter, distributor, consumer, laborer, trade association, the Federal Government, a State government, or a unit of local government, which is affected by a regulation of a State or unit of local government which regulates any aspect of an agricultural product, including any aspect of the method of production, which is sold in interstate commerce, or any means or instrumentality through which such an agriculture product is sold in interstate commerce, may bring an action in the appropriate court to invalidate such a regulation and seek damages for economic loss resulting from such regulation.

(b) **PRELIMINARY INJUNCTION.**—Upon a motion of the plaintiff, the court shall issue a preliminary injunction to preclude the State or unit of local government from enforcing the regulation at issue until such time as the court enters a final judgment in the case, unless the State or unit of local government proves by clear and convincing evidence that—

- (1) the State or unit of local government is likely to prevail on the merits at trial; and
- (2) the injunction would cause irreparable harm to the State or unit of local government.

(c) **STATUTE OF LIMITATIONS.**—No action shall be maintained under this section unless it is commenced within 10 years after the cause of action arose.

BRIEF EXPLANATION

TITLE I—COMMODITIES

- Continues the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) programs with modifications, and discontinues the Agricultural Risk Coverage—Individual Coverage (ARC—IC) option.

- Provides producers with a one-time choice between PLC and ARC. The choice is made on a farm-by-farm and commodity-by-commodity basis.

- Both options utilize the reference prices given below, which are all consistent with the reference prices enacted in the Agricultural Act of 2014, with the exception of seed cotton.

Covered Commodity	Units	Reference Price (\$)
Wheat	Bu	5.50
Rice	Cwt	14.00
Corn	Bu	3.70
Oats	Bu	2.40
Barley	Bu	4.95
Sorghum	Bu	3.95
Seed Cotton	Lb	0.367
Peanuts	Ton	535
Soybeans	Bu	8.40
Other Oilseeds	Cwt	20.15
Dry Peas	Cwt	11.00
Lentils	Cwt	19.97
Small Chickpeas	Cwt	19.04
Large Chickpeas	Cwt	21.54

- Maintains seed cotton policy enacted in the Bipartisan Budget Act of 2018.

- Establishes an Effective Reference Price for PLC, which is set at the higher of the statutory reference price listed above, or 85% of the 5-year Olympic average, not to exceed 115% of the statutory reference price.

- Provides producers who were affected by drought during the previous yield update period a new one-time opportunity to update the program yield for a covered commodity on the farm to the average yield per planted acre from 2013 to 2017.

- Improves ARC by prioritizing the use of Risk Management Agency (RMA) yield data, basing payment rates on the physical location of base acres, and establishing a separate irrigated and non-irrigated revenue guarantee in each county.

- Converts base acres on farms that were not planted or prevented from being planted to a covered commodity at any point in time from 2009 to 2017 to unassigned base, on which no payments will be made.

- Reauthorizes nonrecourse loans for loan commodities for the 2019 to 2023 crop years and makes adjustments to Extra Long Staple (ELS) cotton and the formula for upland cotton loan rates.

- Reauthorizes sugar policy in current law.

- Renames the Margin Protection Program (MPP) for dairy producers as the Dairy Risk Management Program (DRMP) and makes adjustments to coverage levels and applicable premiums for Tier I covered production, shown below. DRMP is authorized through 2023.

COMPARISON OF PREMIUMS FOR TIER I COVERED PRODUCTION (\$/Cwt.)

Coverage Level	Agricultural Act of 2014 (first 4 million pounds)	Bipartisan Budget Act of 2018 (first 5 million pounds)	H.R. 2 (first 5 million pounds)
\$9.00	N/A	N/A	\$0.170
\$8.50	N/A	N/A	\$0.120
\$8.00	\$0.475	\$0.142	\$0.090
\$7.50	\$0.300	\$0.087	\$0.057
\$7.00	\$0.217	\$0.063	\$0.041
\$6.50	\$0.090	\$0.040	\$0.017
\$6.00	\$0.055	\$0.016	\$0.010
\$5.50	\$0.040	\$0.009	\$0.008
\$5.00	\$0.025	None	\$0.005
\$4.50	\$0.010	None	\$0.002
\$4.00	None	None	None

- Requires the Secretary to analyze the accuracy of feed cost data to ensure the feed cost formula reflects the true cost of dairy rations needed to produce a hundredweight of milk.
- Allows milk production that is not covered under DRMP to be eligible for coverage under a Livestock Gross Margin Dairy (LGM-D) insurance policy.
- Modifies the formula used for the calculation of Class I milk prices.
- Reauthorizes the Dairy Forward Pricing Program, Dairy Indemnity Program, and Dairy Promotion and Research Program through 2023.
- Repeals the Dairy Product Donation program.
- Improves the Livestock Indemnity Program (LIP) and maintains the Livestock Forage Program (LFP), Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP).
- Eliminates the payment limitation on ELAP payments and provides for a limited exception from means testing for disaster programs for certain persons or entities.
- Maintains a payment limit of \$125,000 for combined ARC and PLC program assistance.
- Continues to ensure that individuals with a 3-year average adjusted gross income in excess of \$900,000 are ineligible for commodity, disaster, and conservation program benefits.
- Defines ‘qualified pass through entity’ to ensure that payment limitations and means testing are applied consistently across similar entity structures.
- Requires the Secretary to ease regulatory burdens on producers by providing additional options for sharing data across the Department, and offering additional options to fill out the necessary paperwork for participation in farm programs.

TITLE II—CONSERVATION

- Continues robust funding of the Conservation Title, allowing investments in the locally-led, voluntary, incentive-based conservation model.
- Builds on the reforms of the Agricultural Act of 2014 by streamlining, simplifying, and improving program administration, while increasing flexibility throughout the Conservation Title.
- Reforms the Conservation Reserve Program (CRP), a program that has been in place for over 30 years and is the costliest conservation program. These reforms increase the cap from the cur-

rent 24 million acres to 29 million acres by 2023 with no additional costs by making rental rate, practice cost-share and incentive reforms within the program. This is designed to target the program to the most sensitive lands while avoiding direct competition with market rental rates.

- Simplifies the Conservation Stewardship Program (CSP) by consolidating it into the Environmental Quality Incentives Program (EQIP) while maintaining program function. Existing CSP contracts and associated funding will continue until their scheduled expiration.
- Provides increased funding for the Voluntary Public Access and Habitat Incentive Program while leaving the proven, successful underlying authorities in place.
 - Provides mandatory annual funding for the Watershed Protection and Flood Prevention Program to be used across the three program authorities: watershed planning, construction, and rehabilitation.
 - Introduces and provides funding for a new Feral Swine Eradication and Control Pilot Program to explore partnership-based solutions to slow the population expansion of feral swine and address their threat to agriculture, native ecosystems, and human and animal health.
 - Provides additional flexibility for the Agricultural Conservation Easement Program (ACEP) making the program more efficient for farmers, stakeholders, and USDA, while restoring a consistent level of mandatory funding.
 - Broadens the covered programs, simplifies the application process and program administration while adding additional flexibility to the innovative and popular Regional Conservation Partnership Program (RCPP). Includes an increase in mandatory funding and removes the contributing program requirement that was administratively cumbersome for the agency and partners.
 - Removes an impediment to conservation adoption by eliminating SAM/DUNS requirements for conservation and commodity program participants.
 - Focuses on important natural resource concerns like water quality and water quantity, by building support from “downstream” water users while decreasing the threat of regulatory intervention.

TITLE III—TRADE

Trade Promotion

- Streamlines the Market Access Program (MAP), the Foreign Market Development (FMD) Program, the Technical Assistance for Specialty Crops (TASC) Program, and the Emerging Markets Program (EMP) into one International Market Development Program, restoring funding for FMD and TASC, and establishing overall funding at \$255 million per year, moving forward.
- Complements the recent reorganization within the Department of Agriculture by ensuring the newly established Under Secretary for Trade and Foreign Agriculture Affairs has the tools necessary to enhance the competitiveness of the United States agricultural industry on the global stage.

International food aid and food security

- Maintains in-kind food aid as the foundation of the Food for Peace Program as well as the 20% flexibility provided in the 2014 Farm Bill to ensure the appropriate food aid modality can be used in each emergency and development situation.
- Reauthorizes appropriations for Food for Peace at \$2.5 billion annually.
- Strengthens Food for Peace oversight, monitoring, and evaluation by allowing funding to fluctuate as a percentage of available appropriations.
- Extends authority for the Famine Early Warning Systems Network (FEWS NET) to provide advance information to more quickly and effectively respond to crises as they emerge.
- Enhances the usage of market impact analysis, known as Bellmon determinations, and requires that such analysis be completed for all forms of assistance to ensure no modality has adverse impacts on local markets.
- Updates food aid labeling requirements to ensure U.S. generosity is appropriately conveyed on packaging and printed materials, including materials to accompany financial assistance that indicate the assistance is furnished on behalf of the United States.
- Maintains authority for “monetization” within Food for Peace, but the 15% minimum requirement is removed to allow for more flexibility in development program implementation.
- Improves the development “safebox” minimum by increasing it by \$15 million to appropriately account for the development (rather than emergency) goals of the Farmer-to-Farmer program, and by authorizing the Administrator to count Community Development Funds (CDF) toward the minimum to better coordinate development efforts across foreign assistance programs.
- Reauthorizes funding for the prepositioning of U.S. in-kind commodities at current levels to allow for timelier food aid delivery to areas with immediate needs.
- Reauthorizes the Food Aid Consultative Group to ensure that key industry stakeholders maintain the ability to provide valuable input regarding the effectiveness of procedures and regulations governing food aid programs.
- Streamlines annual food aid reporting requirements to allow the USAID Administrator and the Secretary to submit a joint annual report to Congress on programs and activities; outlines required report content; sets an annual April 1 deadline; and clarifies procedures if the report is not submitted on time.
- Renames assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods as the International Food Relief Partnership to reflect common industry terminology, and funding for the program is reauthorized to continue the use of Ready-to-Use Therapeutic Foods (RUTF) that save millions of lives by providing fortified, nutrient-dense products to vulnerable populations around the world.
- Reauthorizes Food for Progress to continue non-emergency development assistance focused on improving agricultural productivity in developing countries and updates the program to clarify Congressional intent by allowing colleges and universities to participate.

- Reauthorizes the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program; ensures projects are technical in nature; encourages sequenced Farmer-to-Farmer assignments to build longer-term continuity and increase capacity building within the program; and encourages strengthened communication and project coordination to ensure volunteer areas of expertise are of direct benefit to host country needs.

- Reauthorizes the Local and Regional Food Aid Procurement (LRP) Program to complement in-kind food aid by assisting local farmers and communities in building the capacity to produce food used in local schools with an emphasis on meeting quality standards and product specifications, ensuring food safety and nutritional content within each project.

- Maintains the Cochran Fellowship Program to provide short-term training opportunities to agricultural professionals from middle-income countries, emerging markets, and emerging democracies; updates programmatic authority to allow for in-country training if deemed more appropriate and efficient than conducting training in the U.S.; and emphasizes the transfer of skills related to sanitary and phytosanitary standards for agricultural products.

- Reauthorizes the Borlaug International Agricultural Science and Technology Fellowship to continue promoting food security and economic growth through training fellowships to citizens from developing and middle-income countries; updates programmatic authority to allow for in-country training if deemed more appropriate and efficient than conducting training in the U.S.; and expands the program purposes to enhance agricultural capacity in eligible countries by providing fellowships to U.S. citizens for the development of school-based agricultural education and youth extension programs.

- Reauthorizes U.S. contributions to the Global Crop Diversity Trust at current levels to assist in the conservation of genetic diversity in the world's food crops, and increases from 25% to 33% the limitation on the aggregate percentage of contributions to the trust from the Federal Government.

- Reauthorizes the Bill Emerson Humanitarian Trust to enable the Secretary and Administrator to respond to urgent food needs without compromising their ability to provide assistance to other needy populations.

TITLE IV—NUTRITION

- Expands the piloted National Accuracy Clearinghouse to create a nationwide Duplicative Enrollment Database which will be used by all States when making eligibility determinations to prevent SNAP participants from receiving duplicative benefits in multiple States.

- Requires States to collect and submit SNAP participant data to the Duplicative Enrollment Database that will be summarized and published annually in a report analyzing participant characteristics including tenure in the program.

- Amends the Food Insecurity Nutrition Incentive Program (FINI) to include a training, evaluation, and information center, and to provide \$65 million in annual funding by FY 2023.

- Creates the Retailer-Funded Incentives Pilot, improving the current benefit structure to provide the opportunity for recipients

to increase monthly benefit allotments based on purchase of fruits, vegetables, and dairy.

- Requires a published review of the Thrifty Food Plan by 2022 and every five years thereafter.

- Allows appropriated Food Distribution Programs on Indian Reservations (FDPIR) funds to remain available for two fiscal years and strikes the requirements regarding the surveying and reporting of traditional foods.

- Updates categorical eligibility to only include instances where a beneficiary is receiving cash assistance or ongoing and substantial services such as transportation, child care, counseling, or other services as determined by the Secretary. The latter, known as narrow categorical eligibility, will have income limits set at 130% of the Federal poverty level (FPL) for non-elderly, non-disabled households, and 200% FPL for those households with an elderly or disabled member.

- Strikes the State option of deducting child support payments, strikes the State option of child support cooperation for both custodial and non-custodial parents, and eliminates the SNAP disqualification for child support arrears.

- Excludes up to \$500 of the Basic Allowance for Housing for military families from any calculation of income or resources when determining eligibility to participate in SNAP. Ensures that only funding in excess of such allowance can be used when determining a household's expenses for the excess shelter deduction.

- Increases the earned income deduction percentage from 20% to 22%.

- Requires States to apply the simplified homeless housing deduction of \$143 for homeless individuals not receiving free housing during the month.

- Ends abuse of Standard Utility Allowance deductions for heating and cooling by mandating households actually incur heating and/or cooling expenses and proving as such at eligibility determination. This ends the practice of increasing benefits for those who do not incur heating and/or cooling expenses but still receive the deduction.

- Modernizes asset limits to \$7,000 for those households without an elderly or disabled member and \$12,000 for households with an elderly or disabled member.

- Updates the vehicle allowance to exclude \$12,000 of the value of one vehicle per licensed driver from a household's assets calculations. This figure will be adjusted for inflation, going forward. States must use the SNAP vehicle allowance at SNAP eligibility determination.

- Requires that up to \$2,000 in savings be excluded from assets in determining eligibility, adjusted for inflation, going forward. This is in addition to the modernized asset limits for households.

- Beginning in FY 2021: Eliminates the treatment of Able-Bodied Adults Without Dependents (ABAWDs) as a separate population from other work-capable adults; establishes a substantive work requirement for all work-capable adults (aged 18–59), with exemptions for the caretaker of a child under six, those who are pregnant, and those who are mentally or physically disabled; for at least 20 hours per week, work-eligible individuals must work, participate in a work program (*e.g.*, WIOA), or participate in Employ-

ment and Training (E&T); standardizes the disqualification policy across all States, to 12 months of ineligibility for the first occurrence of non-compliance and 36 months for each subsequent occurrence; increases the hours-per-week requirement from 20 to 25 after five years and amends the components of the work requirement to mandate case management, dictates supervised job search, and allows for additional options including apprenticeships, time-limited unpaid or volunteer work, subsidized employment, family literacy, and financial literacy; requires States to have sufficient E&T slots for all non-exempt SNAP participants subject to the work requirement; maintains the option for States to exempt up to 15% of the work-eligible population based on an updated formula; tightens and modifies geographic waivers, specifically addressing the gerrymandering of areas of high unemployment; allows for a two year transition period for States to enhance their infrastructure to offer such services.

- Permits a mobile technology pilot for up to five authorized States.
- Prohibits switching, routing, or processing fees within retailer SNAP transactions.
- Requires SNAP households to take action after more than two cards are lost, down from four.
- Narrows the time limit for SNAP benefit storage and expungement.
- Requires nationwide implementation of online acceptance of benefits post-pilot.
- Requires the routing of all SNAP transactions through a national gateway for the purposes of transaction validation and settlement.
- Requires States to offer five months of transitional benefits for households that cease to receive cash assistance.
- Requires at least a biennial survey and summary of retail food store SNAP EBT transactions.
- Increases the amount of recovered funds States are permitted to retain and requires what those funds can be used for: investments in technology, improvements in administration and distribution, and actions to prevent fraud.
- Reduces the tolerance level for payment errors from \$37 to \$0.
- Eliminates State performance bonuses but maintains the evaluation of State performance indicators.
- Increases resources for The Emergency Food Assistance Program (TEFAP) and establishes a farm-to-food bank program that leverages available food production in the State to provide nutrition for low-income individuals.
- Reforms nutrition education by revising funding and administration, and ends duplication and improves coordination through the combining of SNAP–Ed and the Expanded Food and Nutrition Education Program (EFNEP).
- Permits up to \$150 million to be used as implementation funds for changes to Subtitle A—Supplemental Nutrition Assistance Program.
- Allows for all forms to be considered in the delivery of the Fruit and Vegetable School Lunch Program.

TITLE V—CREDIT

- Amends the Farm Ownership Loan Program to grant the Secretary enhanced flexibility to allow military experience or agricultural education to qualify for a portion of the 3-year farming or ranching experience requirement to become an eligible borrower.
- Reauthorizes the Conservation Loan and Loan Guarantee Program.
- Reauthorizes Farm Ownership and Operating Loans with a modest increase in the guaranteed loan limit to account for growing financial stress in rural America.
- Extends the Beginning Farmer and Rancher Individual Development Accounts Program.
- Reserves Loan Fund Set-Asides, which is a portion of the guaranteed farm ownership loan and direct operating loan funds, for beginning farmers and ranchers.
- Removes obsolete references from the Farm Credit Act and grants the Farm Credit Administration new oversight authorities to go after bad actors.
- Extends the State Agricultural Mediation Programs, allowing agriculture and USDA-related disputes to be resolved.
- Updates authority of Farmer Mac to more appropriately reflect the current size of the average U.S. farming operation.

TITLE VI—RURAL DEVELOPMENT

- Creates new forward-looking broadband standards, requiring projects financed through USDA to provide broadband-levels of service through the duration of their loan terms.
- Provides new incentives for borrowers seeking to serve high-cost, low-density rural areas to finally develop high-speed broadband networks in the hardest to serve rural areas.
- Provides new authority for the Secretary to prioritize projects that will help to combat the opioid crisis devastating rural families and communities.
- During a time of record suicides among farmers and ranchers, the bill reauthorizes the farmer and rancher mental health services program to provide needed mental health services to the agricultural community.
- Provides all rural communities under 50,000 people access to the guaranteed lending programs that finance critical infrastructure projects such as essential community facilities, broadband systems, and water systems and waste disposal facilities.
- Simplifies and incentivizes regional development, to help rural communities maximize the value of cooperation and work together to build their economies.
- Provides assistance to farm and ranch organizations to establish Association Health Plans for their members.
- Reauthorizes and makes improvements to the longstanding water and waste, community facilities, telecommunications, and electric infrastructure loan and grant programs that bring critical health, sanitary, educational, and connectivity services to rural regions.
- Reauthorizes the successful energy programs that help diversify our nation's energy supply, promote energy efficiency, and create new economic opportunities in rural America.

- Adjusts eligibility requirements for the Rural Energy Savings Program and ensures longevity of the program.
- Ensures that mature markets for biobased products made from forestry materials are not put at a competitive disadvantage.
- Expands project eligibility for biorefinery and biobased product manufacturing assistance.
- Provides equitable distribution of payments to feedstocks under the Bioenergy for Advanced Biofuels Program.
- Repeals the Rural Energy Self-Sufficiency Initiative.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

- Reauthorizes extramural research, extension, and education grants and formula funds for programs administered by the National Institute of Food and Agriculture.
- Reauthorizes university research, extension, and education for agricultural activities at 1862, 1890, and 1994 Land-Grant Colleges and Universities.
- Reauthorizes competitive capacity building and education grants for Non-Land Grant Colleges of Agriculture and Hispanic-Serving Agricultural Colleges and Universities.
- Reauthorizes the National Agricultural Research, Extension, Education, and Economics Advisory Board and the Specialty Crop Committee while streamlining the membership structure and role to enhance the board's function of providing industry and stakeholder input to the Department's research, extension, and education priority-setting process.
- Reauthorizes funding and updates priorities of the Department's premier competitive research and extension program, the Agriculture and Food Research Initiative.
- Maintains permanent funding of \$80 million per year for the Specialty Crop Research Initiative. The Organic Agriculture Research and Extension Initiative and the Beginning Farmer and Rancher Development Program are provided a total of \$50 million in mandatory funding per year.

TITLE VIII—FORESTRY

The Farm Bill encourages proper management for healthy and productive Federal, State, and private forests and incentivizes infrastructure and new market opportunities to revitalize communities and healthy landscapes.

- Promotes conservation on private forests through the Forest Legacy Program and the Community Forest and Open Space Conservation Program.
- Protects forests through cross-boundary forest management projects by authorizing the State and private forest landscape-scale restoration program.
- Works to address the need for innovative wood products for low value wood.
- Updates and modernizes the Secure Rural Schools law and further empowers the Resource Advisory Committees (RACs) that have brought diverse viewpoints together to solve National Forest management problems.
- Builds upon the successes of categorical exclusions (CEs). CEs are used for routine activities with known outcomes, and they save

the United States Forest Service (USFS) time and money while still protecting the environment and natural resources.

- Expedites the USFS's ability to quickly remove dead trees after wildfires. This will pay for reforestation and rehabilitation, including planting trees, surveying for natural regeneration, clearing vegetation around seedlings, and other activities.
- Ensures robust protection of the environment through environmental reviews while making environmental process requirements more efficient by reducing project planning times and costs of implementing forest management projects.
- Authorizes the USFS to immediately implement tools to reduce the threat of catastrophic wildfire, insect and disease infestation, and damage to municipal watersheds.
- Directs the Secretary to promote the research and development of tall wood building construction.
- Creates no new Federal red-tape or requirements—no new mapping, planning, rule-making, or reports.

TITLE IX—HORTICULTURE

- Maintains funding for the Specialty Crop Block Grant Program, with funding provided for multi-state projects, while streamlining reporting requirements for State agencies.
- Provides authorization of appropriations for the Farmers' Market and Local Food Promotion Program to improve and expand direct producer-to-consumer market opportunities including the development of local food system infrastructure.
- Reauthorizes the National Organic Program and Organic Production and Market Data Initiatives and provides for modernization of organic import documentation, new technology advancements, and stricter enforcement of organic imports.
- Clarifies the role and authority of State lead agencies in regulating pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).
- Streamlines the process for Endangered Species Act consultations for pesticide registrations and registration reviews under FIFRA.
- Provides regulatory relief by eliminating a costly and duplicative permitting requirement for pesticide applications.

TITLE X—CROP INSURANCE

- Allows the Risk Management Agency (RMA) to offer insurance for forage and grazing and harvested grain in the same season for certain crops.
- Prevents duplication of coverage between certain crop insurance policies and Agricultural Risk Coverage (ARC).
- Repeals unused authority to offer additional discounts to certain producers.
- Affirms RMA's authority to offer yield adjustments in certain instances.
- Establishes guidelines for appropriate reimbursement of expenses related to the development or maintenance of privately-developed policies.
- Extends the discount for beginning farmers and ranchers from 5 years to 10 years for the purposes of calculating producer-paid premium for Whole Farm Revenue Protection (WFRP).

- Directs research and development of new or improved crop insurance policies for certain underserved or high priority commodities.
- Repeals the Risk Management Education Partnerships Program, the Targeted States Program, and Agricultural Management Assistance, and adjusts funding levels accordingly.

TITLE XI—MISCELLANEOUS

SUBTITLE A—LIVESTOCK

- Reauthorizes the National Animal Health Laboratory Network for rapid disease diagnosis.
- Establishes and provides funding for a U.S.-only vaccine bank to respond to accidental or intentional introduction of animal disease—foot-and-mouth disease (FMD) in particular.
 - Establishes and provides funding for the National Animal Disease Preparedness and Response Program to leverage local, State, and national resources in preventing and responding to threats such as FMD, cattle fever tick, Highly Pathogenic Avian Influenza (HPAI), Porcine Epidemic Diarrhea Virus (PEDv), and more.
 - Reauthorizes the National Aquatic Animal Health Plan.
 - Authorizes the Secretary to maintain—in all regions of the United States—veterinary teams, including those based at colleges of veterinary medicine, who are capable of providing effective response services before, during, and after emergencies.
- Directs the USDA Inspector General to submit a report to the Secretary on the effectiveness of outreach by the Food Safety and Inspection Service (FSIS) to small and very-small processors.
 - Establishes a Food Loss and Waste Reduction Liaison to coordinate Federal programs to measure and reduce the incidence of food loss and waste.

SUBTITLE B—BEGINNING, SOCIALLY DISADVANTAGED, AND VETERAN PRODUCERS

- Reauthorizes outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.
- Reauthorizes appropriations for the Office of Partnerships and Public Engagement to increase outreach to limited-resource, veteran, Tribal farmers and ranchers, and youth.
 - Establishes the “Commission on Farm Transitions—Needs for 2050” to study issues impacting the transition of farms and ranches to the next generation of producers.
 - Directs the Secretary to establish an agricultural youth organization coordinator position to promote the role of youth organizations in motivating and preparing young people to pursue careers in agriculture, food, and natural resource systems.

PURPOSE AND NEED

Not since the Farm Security and Rural Investment Act of 2002 was enacted to prevent a farm financial crisis from unfolding has the need for a Farm Bill been more evident. Today, as then, the U.S. agriculture economy is in a deep, prolonged recession.

Net farm income has fallen by 52 percent over the past five years, among the steepest declines since the Great Depression. In the midst of a severe five-year recession, net farm income, meas-

ured in nominal dollars, is the lowest in 12 years, and the lowest since 2002 when adjusted for inflation. Meanwhile, costs of production have been steadily climbing.

The result is that farm and ranch income is not able to keep up with costs, forcing farmers and ranchers to work 16 hours or more a day, with many taking on two or three other jobs in town alongside their spouses who also work off the farm, just to make ends meet. In fact, the Federal Reserve Bank of Kansas City has observed that without this off-farm income most farmers would be unable to pay their debts.

According to the Agricultural and Food Policy Center and the Food and Agricultural Policy Research Institute, about two-thirds of the representative farms used nationwide to measure the economic health of agriculture are expected to be in marginal or poor condition.

Two Wall Street Journal articles—“The Next American Farm Bust is Upon Us” (Feb. 8, 2017) and “To Stay on the Land, American Farmers Add Extra Jobs” (Feb. 25, 2018)—encapsulate well the economic condition of farm and ranch country in America today.

The impacts are serious, both on and off the farm. Aging farmers and ranchers are encouraging their children to take jobs in the city rather than take over the family farm or ranch. Meanwhile, off the farm, the number of jobs outside of the metro areas has remained three percent below the pre-recession peak even as metro jobs have grown five percent.

But, even in 2015, near the beginning of the current recession in agriculture, the Economic Research Service (ERS) had already concluded that 46 percent of midsized family farms and 36 percent of large family farms had margins low enough to be considered “high risk”.

This is because agriculture is an inherently risky business. Farmers and ranchers operate in a perfectly competitive sector, meaning farmers are price-takers with little to no market power. Within this environment, farmers and ranchers tend to realize long-run average net returns that are near zero. Highly volatile prices and weather-related production losses create a high-risk situation for farmers and ranchers operating on very thin and often negative margins even in relatively ordinary economic times.

In fact, in 2015, ERS found that, on average, for the top four crops, a farmer realized a profit less than 30 percent of the time when all costs were taken into account. To contrast the level of risk in agriculture versus other sectors of the economy, a report comparing the two found that returns on agricultural assets exceeded returns on non-agricultural assets only once over the thirty-two years that were analyzed. The risks in agriculture are truly exceptional.

This helps explain why even in 2007, during relatively good years in agriculture, the Agricultural and Food Policy Center concluded that most U.S. farms and ranches would have been unable to survive the erosion in farm income resulting from an amendment to the Farm Bill at the time that effectively proposed to eliminate the farm safety net provided by Title I of the Farm Bill. It also explains why U.S. farm policy has been around in one form or another since our country began.

The predatory trade practices employed by foreign countries involving high and rising subsidies, tariffs, and non-tariff trade barriers; the record losses suffered in 2017 due to hurricanes and wildfires; costly government regulations; and spiraling health care costs, especially for the self-employed, are reminders of factors that lay well beyond the control of our nation's farm and ranch families.

For instance, in a single year, China over-subsidized just three crops by more than \$100 billion and, more recently, illegally retaliated against American farmers in response to U.S. efforts to gain China's compliance with its other trade commitments. The egregious policies of China and many other foreign nations stand in stark contrast with the open market of the United States which has among the lowest tariffs and domestic supports in the world.

Despite the lopsided playing field resulting from a global market distorted by the predatory trade practices of foreign countries, America's farmers and ranchers have worked hard to stay competitive, generating a U.S. trade surplus in agricultural trade amidst a very substantial overall annual trade deficit for the United States.

The competitiveness of America's farmers and ranchers has also produced the smallest grocery bills for U.S. consumers, with Americans spending about 6.4 percent of total expenditures on food consumed at home.

Meanwhile, consumers around the world benefit from America's farmers and ranchers who truly provide the safest, most abundant, most affordable food supply in the world while also creating 21 million American jobs at home.

Although U.S. farm policy undergirds this remarkable record of accomplishment, its price tag comes to roughly one-quarter of 1 percent of the total federal budget, with the overall farm bill, which encompasses far more than a farm safety net, on target to save taxpayers more than \$112 billion over the next ten years.

The Agriculture and Nutrition Act of 2018 recognizes the unique risks inherent in agriculture, the hardship that America's farmers and ranchers are currently experiencing, and the enormous contributions the nation's farm and ranch families make to our country.

The farm bill keeps faith with these hard working farm and ranch families by providing a strong safety net, particularly under Title I of the Farm Bill and under Federal Crop Insurance, while also keeping faith with taxpayers and future generations of Americans by honoring the significant budget savings already being achieved under the current Farm Bill.

The farm bill maintains the broad statutory authority invested in the Secretary of Agriculture to respond to any extraordinary needs in farm and ranch country, including authority to provide direct assistance to farmers and ranchers who suffer economic losses as a result of unwarranted trade actions by foreign nations, including the illegal retaliatory actions recently taken or threatened by China.

The farm bill also further strengthens America's commitment to cleaner air and water, healthy soils, and abundant and vibrant wetlands, wildlife, and wildlife habitat; affirms our nation's commitment to highly successful humanitarian assistance and food aid

policy; and renews critical investment in trade promotion tools vital to the global competitiveness of America's farmers and ranchers.

The farm bill fully funds the nutrition title, maintaining key initiatives in helping low income families put food on their tables while offering something far greater: training opportunities that will lead them to a good paying job, independence, and a brighter future.

The farm bill also ensures ample credit for our nation's farmers and ranchers so they can produce a crop and make long-term investments in their operations, while providing loans and grants for critical rural infrastructure, including reaching underserved and unserved areas of rural America with high-quality broadband service.

The farm bill provides the Secretary with the tools he needs to step up the fight against opioid addiction, incentivizes healthy forests and cutting edge research, while providing groundbreaking investment in animal disease preparedness and response and key initiatives for specialty crop farmers.

And, apart from the nutrition title, the farm bill represents the bipartisan work of Committee leadership. This work was ongoing and productive until the Ranking Member declared, after receiving instructions to halt further negotiations, that Democratic opposition to the measure could not be overcome due primarily to objections to a 20 hour per week work or training requirement for work-capable adults participating in SNAP.

Yet, despite the disagreement over the nutrition title, on balance, the farm bill still reflects the bipartisan consensus reached after a thorough, open, and transparent three-year process that included 114 hearings, six listening sessions in the field, and countless meetings with organizations representing every American whose life is touched by the farm bill.

TITLE I—COMMODITIES

Title I of the farm bill is the front line defense of farmers and dairy producers struggling to survive in the face of five years of depressed prices and revenue, and ranchers and livestock producers coping with production losses resulting from natural disasters.

Generally, farmers, ranchers, dairymen, and other livestock producers urged the Committee to maintain the suite of risk management tools provided under Title I of current law, including Price Loss Coverage (PLC), Agriculture Risk Coverage (ARC), Marketing Loans, U.S. sugar policy, dairy risk management, and supplemental agricultural disaster assistance programs. The challenge facing the Committee was honoring these requests with a budget baseline that is \$1.7 billion lower than the baseline used to write Title I of the 2014 Farm Bill.

Despite the budgetary challenge, the Farm Bill honors the request of producers by providing farmers with a new election opportunity between PLC and ARC, with some improvements made to each option. Farmers noted that under previous farm bills, reference prices could become outdated and lose relevance to producers under certain market conditions. Many farmers who experienced severe drought during the last opportunity to update yields used to administer PLC requested a second opportunity. Farmers also frequently observed the disparate benefits from county-to-

county under ARC and sought several ways in which to smooth out these disparities. The farm bill addresses these key concerns as well as others.

The farm bill also fully maintains the broad statutory authority invested in the Secretary of Agriculture to respond to extraordinary needs, including authority to provide direct assistance to farmers and ranchers who suffer economic losses as a result of unwarranted trade actions by foreign nations, including the illegal retaliatory actions taken or threatened by China.

The farm bill also honors the request of farmers by generally maintaining Marketing Loans and U.S. sugar policy. U.S. sugar policy is operating at no cost to the taxpayer and has done so for all but one of the last 17 years, the year in which Mexico was found guilty of dumping sugar onto the U.S. market at prices below Mexico's cost of production in violation of U.S. trade law.

USDA estimates that U.S. sugar policy will continue to operate at no cost to taxpayers due in part to the suspension agreements to halt illegal dumping and injury to U.S. producers that were agreed to by the United States and Mexico. Meanwhile, recent studies find that both U.S. retail and wholesale sugar prices are lower than abroad. The Committee expects the Secretary to carry out U.S. sugar policy in a manner that maintains these benefits to taxpayers and consumers.

The Committee did not include proposals put forward by manufacturer users of sugar because the proposals would legitimize the dumping of heavily subsidized imports onto the U.S. market, depressing prices for U.S. sugar producers and jeopardizing their ability to repay loans. Manufacturers also propose to reduce the sugar loan rate to levels set 33 years ago despite significant increases in costs of production since 1985. Finally, manufacturers seek to eliminate the nonrecourse nature of the loan, no longer accepting forfeiture of a crop pledged as collateral in satisfaction of loan debt. This proposal has serious implications not only for sugar farmers but sets a dangerous precedent for farmers of all crops eligible for marketing loans. The Committee observes that such proposals have also called for the elimination of sugar supports worldwide and notes that Congressional approval of H. Con. Res. 40 (115th Congress) is the best means to achieve this goal, a goal shared by U.S. sugar farmers.

For purposes of the prevailing world market price for cotton described in section 1204(d), the Committee urges the Secretary to consider modifying the current formula to include the three lowest-priced growths quoted for Middling (M) 1 3/32 inch, CFR Far East, rather than the current formula that utilizes the five lowest-priced growths. Moreover, for purposes of the adjustments to the prevailing world market price for cotton, as described in section 1204 (e)(2)(A)(ii), the Committee urges the Secretary to work with representatives of the U.S. cotton industry to ensure that the "average costs to market the commodity, including average transportation costs" fully and consistently account for all associated costs, including average storage costs and transportation costs from an interior warehouse. The Committee commends the Secretary of Agriculture's July 2017 decision to release the results of the new cost-to-market survey two weeks in advance of the actual Adjusted World Price announcement in which the new survey is incor-

porated, as this decision reflects statutory purpose and Congressional intent. The Committee believes that it is critical for industry participants to have advance notice of the new cost to market data and providing this to the industry will help avoid undue disruptions to the U.S. cotton market. The Committee urges the Secretary to continue to make these announcements in advance.

Recognizing the importance of timely shipment and delivery of cotton to the end-user, the Committee urges the Secretary to work with representatives of the U.S. cotton industry to achieve consensus among all segments of the industry on how best to update and modernize the current Cotton Storage Agreement for U.S. cotton warehouses. The Committee expects the Secretary to ensure that any updates are based on the consensus recommendations of the industry and include the following: (1) require the use of Batch 23 for shipping orders to include a valid load date; (2) update warehouse hours of service to be consistent with the hours of service requirements in the U.S. Warehouse Act; and (3) require a bale locator ID to be used when issuing a warehouse receipt and recommend that the locator ID be updated each time a bale location changes. The Committee expects the Secretary to ensure that the shipping order data from Batch 23 is utilized to audit warehouse performance in order to ensure warehouses are meeting the minimum shipping standard of 4.5 percent.

Dairy policy is maintained with some important improvements, including provisions to provide greater coverage levels at lower premium cost with respect to the first five million pounds of production. The former cap on livestock (including dairy) insurance policies available under Federal Crop Insurance remains lifted to allow insurance products to help all dairy producers manage risk. Finally, the calculation of class I milk is adjusted to better enable producers to hedge price risk in the futures market.

Livestock disaster programs are maintained and strengthened, including expanding the Livestock Indemnity Program to cover the death or sale loss resulting from diseases caused or transmitted by a vector that cannot be controlled by vaccination or other acceptable management practices, as well as through the streamlining of rules that have impeded the effectiveness of these programs in responding to disasters. The Committee is concerned about the administration of the Farm Service Agency's Tree Assistance Program for nursery tree growers. The Committee encourages the Secretary, acting through FSA, to further define "stand" as it relates to eligible crops for an eligible nursery tree grower. The Committee also expects that FSA gather input from a qualified ornamental horticultural expert to determine loss prior to the county committee making a determination on an eligible nursery grower's application. Further, the Committee expects FSA to allow additional time to fully access tree, bush, and vine damage to support an eligible nursery grower's application in the event that the 90-day disaster event deadline expires and disaster-related losses become apparent after the deadline. FSA is also expected to provide additional training of state and contract personnel regarding FSA emergency assistance programs available to eligible nurseries, greenhouses, and Christmas tree growers. With respect to the Livestock Forage Program (LFP), the Committee observes that FSA has lost a national appeals division (NAD) case concerning the regulatory treatment of

contract growers who are at risk relative to the weight gain of livestock. The Committee encourages FSA to revise the regulation in order to provide clear and equitable guidelines for producers as to who is eligible for an LFP payment based on the type of contract under which they operate.

The Administration subtitle largely reflects previous such subtitles to ensure a speedy and seamless transition from old law to new. The Adjusted Gross Income test, which was imposed by the 2002 Farm Bill and sharply lowered under the 2008 and 2014 Farm Bills, is maintained at its current level. The lower aggregate payment limitation approved under the 2014 Farm Bill is also maintained. Pass-through entities are treated the same as general partnerships and joint ventures to ensure that farm and ranch families are not discriminated against based on how they structure their operations. Importantly, this does not excuse any persons or entities that comprise pass-through entities from the pay limit.

The Committee supports the Acreage Crop Reporting and Streamlining Initiative (ACRSI) insofar as the initiative makes reporting more efficient. In this regard, the Committee expects the Secretary to ensure that ACRSI complements, rather than attempts to supplant, the critical role of Approved Insurance Providers (AIP) or agents or any portion of the current private-public partnership. The Committee expects the Secretary to ensure that the continued success and integrity of Federal Crop Insurance remains paramount as ACRSI efforts move forward.

The Committee expects the Secretary to address inconsistencies across FSA offices in accepting Approved Insurance Provider-generated maps and urges the Secretary to ensure that the integration of resource land units (RLUs) into the common land unit (CLU) database is a priority in streamlining efforts. The Committee also expects that the Secretary will require that third-party reporting standards are the same as the standards applied to other data sources. Finally, the Committee also urges the Secretary to develop metrics to illustrate the status of this initiative, such as data on the benefit to producers.

TITLE II—CONSERVATION

The conservation title authorizes technical and financial cost-share assistance for farmers, ranchers, foresters, and landowners to improve conservation through voluntary, incentive-based practices on private lands. Through these programs, producers work to restore water quality and quantity, air quality, wildlife habitat, soil erosion and health, and regulatory compliance. The programs aim to improve our natural resources, while continuing to provide a safe, affordable food supply. Over the past several farm bills, the conservation title has gained significance while incentivizing substantial private investment in conservation practices.

The Food Security Act of 1985 authorized several conservation measures intended to address concerns about the impact of agricultural production on soil erosion and wetland loss. The 1996 Farm Bill took the groundbreaking step of consolidating previously discretionary funded programs into one new program, the Environmental Quality Incentives Program (EQIP), funded with mandatory money from the Commodity Credit Corporation (CCC). EQIP is

now one of the most successful and popular programs among farmers and ranchers.

Budget circumstances for the Farm Security and Rural Investment Act of 2002 allowed for the expansion of conservation programs with the addition of \$17.5 billion to the conservation baseline for the life of the bill and the out-year baseline as well. The Conservation Security Program was also created.

Despite budget pressures, the Food, Conservation, and Energy Act of 2008 increased conservation spending by nearly \$4.5 billion during the life of the bill and created new, targeted conservation programs such as the Chesapeake Bay Program and the Cooperative Conservation Partnership Initiative (CCPI). The bill also made significant reforms to and renamed the Conservation Stewardship Program (CSP). However, the Wetland Reserve Program (WRP), the Grassland Reserve Program (GRP), the Small Watershed Rehabilitation Program, and the Voluntary Public Access and Habitat Incentive Program remained without adequate baselines given the demand and interest in these programs.

Recognizing the growing complexity of the conservation title, the Agricultural Act of 2014 eliminated or combined 23 duplicative and overlapping programs into 13 programs to allow for streamlined delivery, while also providing an estimated \$6.1 billion in savings below baseline funding. Additionally, the bill created the Regional Conservation Partnership Program (RCP) to address landscape-scale concerns while leveraging significant private investment.

The Committee recognizes that the programs have been successful, yet further consolidation can create a better customer service experience for producers with NRCS and return a greater conservation impact for the investment. By phasing out CSP and incorporating the program into EQIP, which will in turn see funding growth over the life of the farm bill, producers will be able to address their conservation needs with greater precision. Furthermore, by eliminating burdensome requirements, the Committee encourages greater participation and adoption of practices. The Committee's priority to assist farmers and ranchers in addressing environmental regulations and conservation needs has not changed.

Conservation Reserve Program (CRP)

The Committee strongly supports CRP as one of the main pillars of cost-effective conservation available to farmers and ranchers. However, through the hearing process, it became clear that the lower statutory cap of 24 million acres was not sufficient to enroll many sensitive acres. Furthermore, the Committee believes that in years of high commodity prices, many acres capable of production were not available because they were enrolled in CRP, directly competing with many producers actively seeking land to farm. The Committee-reported bill addresses both issues by incrementally raising the statutory acreage cap to 29 million acres while eliminating incentive payments and capping rental rates for initial and successive re-enrollments. These market-based adjustments ensure sensitive acres have room in the program without competing directly with producers. The reported bill ensures the availability of the program across the country by allocating acres for enrollment during the sign-up period to each state in proportion to the historic enrollment during the period 2007 through 2016.

The reported bill directs the Secretary to reserve up to three million acres of CRP for working grassland contracts and retains the priority for transitioning expiring contracts to grasslands as an alternative to returning the fields to cultivation. The bill provides a step up of grassland acres offered for enrollment in each of the five years and reserves the unused acres, if any, for grassland enrollment only.

The Committee recognizes the need for grazing flexibility as a method of management, with great environmental and economic benefits. The reported bill maintains the authority for the Secretary to allow use of CRP during natural disasters without penalty. It further provides greater flexibility for haying and grazing of the cover throughout the life of the contract under a Secretary-approved plan. Additionally, grazing as a mid-contract management activity can be accomplished without a reduction in the rental payment.

The Committee adjusted the cost-share rate for conservation practices on the enrolled lands. Further, the Committee limited the cost-share for seed costs. The Committee intends for the choices of conservation cover and associated seed mixtures to be constructed with the producer's input, meet the applicable conservation practice standard, achieve the program's purposes, and responsibly invest the Federal contribution.

To ensure beginning farmers have access to land, the reported bill preserves the Transition Incentives Program (TIP) and allocates \$33 million to facilitate this effort. The bill also continues the flexibility to work with producers on expiring contracts to maintain buffers and other high value practices in the program while providing assistance in transitioning the field to agriculture production during the final year of the contract.

Environmental Quality Incentives Program (EQIP)

The Environmental Quality Incentives Program provides cost-share incentives to producers to meet or avoid the need for national, State, or local regulation. Under the Committee-reported bill, funding is significantly increased to \$3 billion per year by 2023 to allow more producers to utilize cost-share assistance to improve conservation on their operations.

The Committee-reported bill updates the program to include conservation activities that support precision conservation management technologies and further defines priority resource concerns and stewardship practices to encompass all innovative practices and ensure farmers, ranchers, and foresters have the flexibility to address their needs. The Committee-reported bill recognizes the importance of stewardship practices promoted through the Conservation Stewardship Program in the past. Stewardship practices, such as cover crops, have a positive impact on soil health and water quality.

The Committee also recognizes that resource conserving crops, such as sorghum and alfalfa, when used in a rotation can yield benefits to soil health, water conservation, and water quality. Resource conserving crops play a vital role in overall conservation of resources in a working operation and should be supported through the consolidated EQIP. The Committee recognizes that conservation practices have significant value for farmers and ranchers, but

also have significant downstream benefits in addition to those realized on the farm, ranch, or forestland by the producer. Incorporating stewardship practices into EQIP will continue to support ongoing and further adoption of these important agriculture and forest practices. The Committee looks forward to working with NRCS to deliver the program in a way that encourages the adoption of cover crops and conservation benefiting precision agriculture technologies on cropland, and practices that promote increased stewardship of our grazing lands and forest resources.

In clarifying an expanded view of a resource conserving crop, the Committee offers the following definition: A "Resource conserving crop rotation" refers to a crop rotation that includes at least one resource-conserving crop; reduces erosion; improves soil fertility and tilth; interrupts pest cycles; and in applicable areas, reduces depletion of soil moisture or otherwise reduces the quantity of irrigation needed. A "resource conserving crop" may be: (1) a perennial grass, legume, or grass/legume grown for use as a forage, seed for planting, or green manure; (2) a high residue producing crop; (3) a cover crop following an annual crop; (4) a water savings crop (including sorghum); or (5) a crop in rotation that interrupts pest or disease cycles or otherwise conserves resources.

Bringing forward the best of the CSP into EQIP, stewardship contracts will be available to producers for not less than five years but no more than 10 years to receive annual and cost-share payments for adoption, installation, required management and maintenance of stewardship practices that attain increased natural resource stewardship on the applicable portion of the farm, ranch, or forest as determined by the producer. The Committee anticipates stewardship practices with broad resource benefits including, but not limited to, cover crops, transition to resource conserving crop rotations, and incorporation of precision agriculture technologies into agriculture operations will be available to producers within the program. Similarly, a broad suite of stewardship practices relating to grazing lands and forest lands will be available to incentivize increased levels of conservation around locally-established resource priorities.

Stewardship practice payments to a producer or legal entity will not exceed \$50,000 per fiscal year and the Secretary cannot use more than 50% of the annual EQIP allocation for stewardship contracts. Within the combined program, the Committee intends for the stewardship contracts to be driven by a locally-led priority setting process that results in adoption of conservation practices addressing the highest priority conservation needs across all private land uses within a particular watershed, or other appropriate region or area within a State.

The reported bill expands the irrigation water conservation authorities by making irrigation districts, irrigation associations, and acequias eligible for contracts and certain other discretionary authorities granted to the Secretary ensuring successful adoption of water conserving measures within a broader project area. The Committee believes NRCS can use this additional flexibility to work cooperatively with these associations and directly with landowners to improve water conservation measures and create new efficiencies where aquifers are in decline and surface water supplies are limited. In achieving water conservation benefits, the Com-

mittee understands the complexity of determining water savings and reduction. Therefore, the Committee urges the Department to use these authorities to promote adoption of conservation practices that promote efficient and effective use of irrigation water, and not focus on net water savings per acre irrigated.

The Committee directs the Secretary to ensure conservation practice standards reflect the use of integrated irrigation and nutrient management technologies, such as microirrigation systems (e.g., drip irrigation). Such technology, in addition to providing increased water efficiency, can be used to distribute fertilizers and other nutrients directly to plant roots, improving soil health, both water quantity and quality, and reducing nutrient runoff. In the case of EQIP applications involving irrigation projects, the Committee encourages the Secretary to consider whether the projects include an integrative approach to addressing nutrient management and water efficiency issues.

As in previous farm bills, the Committee-reported bill retains 5 percent of the funding for practices that provide wildlife habitat. However, it removes the 60 percent allocation for livestock. The Committee recognizes the broad responsibilities of EQIP and the great work that it does in promoting environmental stewardship among livestock and poultry farmers around the country. The Committee believes this decision will remove an administrative tracking burden from NRCS. Combined with the significant increase in funding and retaining the locally-led setting of priorities, livestock producers will continue to have access to the EQIP. In addition, the annual funding dedicated to wildlife-benefiting practices will increase as annual funding grows through 2023.

The Committee addressed the concerns heard in hearings regarding beginning farmers by maintaining set-asides for beginning farmers and ranchers and socially disadvantaged producers, while prioritizing veteran farmers. The set-aside will remain unchanged and producers will continue to be eligible to have up to 50 percent of upfront project costs covered in advance.

The Committee also heard concerns from community colleges and universities who operate farms for teaching and research purposes. The reported bill acknowledges them as working farms eligible for Conservation Innovation Grants. It further establishes clear authority for conservation innovation field trials through expanded partnerships, incentive payments, and technical assistance.

Conservation innovation and agriculture technology development is occurring at an exceptional pace across rural America. Recognizing the recent growth and opportunity for new and emerging technologies during the life of this farm bill, the Committee created a new option within EQIP for on-farm conservation innovation trials. Up to \$25 million in annual EQIP funding will be used for payments to producers in adopting, evaluating, and demonstrating new and innovative conservation approaches. This new effort will provide flexibilities for scaling, length of contracts, technical assistance, and reporting of effectiveness and “lessons learned” to be shared with others.

The Committee is aware of concerns within the dairy and livestock sectors that NRCS does not currently maintain practice standards that easily incorporate nutrient recovery technologies. These technologies can help to remove excess phosphorus and ni-

trogen from manure, mitigating the environmental impacts of farming while also providing water quality benefits beyond the farm gate. The Committee encourages the Secretary to develop a new practice standard that would allow for nutrient recovery systems to be directly eligible under conservation programs.

The Committee recognizes the broad and significant role of the EQIP program in promoting environmental stewardship. In addressing water quality as a resource concern, the Committee believes that conservation programs should prioritize funding for producers implementing fertilizer management practices that incorporate the use of the right fertilizer source, the right rate (amount of fertilizer), the right placement of fertilizer (including precision application) and the right timing of fertilizer applications (making the nutrients available when the crop needs them). These practices are recognized by the USDA–NRCS 590 Nutrient Management Standard and have been proven to help producers optimize production potential and protect the environment.

Additionally, the Committee encourages NRCS to include—in its outreach and education program—a plan to ensure farmers understand that conservation funding (EQIP) is available to assist them with incorporating these fertilizer BMPs into their nutrient management plans.

The Committee requests USDA evaluate the use and benefits of innovative technologies such as plant biostimulants and their role in achieving enhanced conservation benefits. These tools and other emerging and innovative technologies recognized by USDA to be beneficial to conservation and agriculture production should be incorporated into conservation standards and specifications for nutrient management and related conservation practices.

Other conservation programs

During the hearing process, stakeholders voiced broad support for the Watershed and Flood Prevention programs of USDA. By authorizing mandatory funding, the program can continue to maintain the integrity of our dams that have been created under watershed authorities. This essential infrastructure works to protect life and property while maintaining the integrity of the landscape. The Committee intends for the Secretary to develop a process for identifying priorities and allocating the mandatory funding to address needs in planning, watershed operations and rehabilitation.

The reported bill extends the authority to appropriate funds for the Conservation of Private Grazing Lands, and provides mandatory funding for the Grassroots Source Water Protection Program and the Voluntary Public Access Program. These program authorities are extended through 2023 without modification of the underlying authority.

The reported bill authorizes the creation of a pilot project to eradicate destructive and invasive feral swine. NRCS and APHIS will coordinate with State Technical Committees to identify and prioritize pilot projects and provide producers with financial and technical assistance to control the populations, including traps. The pilot will be funded at \$100 million. The Committee looks forward to working with the Secretary to initiate pilot project activities within each state having issues with expanding feral swine populations to demonstrate techniques at a geographic scale where pro-

ducers, State and local governments, and Federal land stewards can work cooperatively to substantially impact the swine population.

During the Committee markup, the bill was amended to include provisions that provide flexibilities to the Emergency Conservation Program for payments to producers repairing or replacing fences due to wildfires and flood events. The Committee is aware of varied policies and procedures across the states in establishing documentation requirements and payment rates. This situation creates uncertainty with producers regarding the final financial assistance payments they will receive during a time they are working to overcome adversity and reestablish their operations impacted by natural disasters. The reported bill also codifies cost-share requirements from current Federal regulations and expands the enhanced cost-share for limited resource producers to include beginning and socially disadvantaged producers.

The reported bill continues the consolidation of conservation programs started under the 2014 Farm Bill by repealing Terminal Lakes Assistance established in Section 2507 of the Farm Security and Rural Investment Act of 2002, and the Conservation Security Program in Chapter 2, Subchapter A of Title XII of the Food Security Act of 1985.

Funding and administration

The Funding and Administration subtitle allocates funds to programs in the conservation title and further streamlines delivery. It improves customer service and participation by removing barriers to participation. The Committee recognizes the need to continue to support beginning farmers and ranchers. As such, the reported bill requires that 5 percent of funds in EQIP be directed to beginning farmers, and an additional 5 percent directed to socially disadvantaged farmers. The regional equity language is removed with the expectation the Secretary will use the funding provided within the bill to address locally-driven conservation needs in each State. This section is further amended to update annual reporting requirements to Congress to conform to the changes made by the reported bill.

Delivery of technical assistance

The Committee recognizes the expanding third-party service sector assisting in conservation technical assistance needs that are unmet by the limited USDA staff available, and the current technical service provider registration maintained by USDA. While the Committee maintains and supports the provision of conservation technical assistance through USDA, we believe there are opportunities for the private-sector to engage and augment this assistance, especially within some of the highly specialized operation-specific components of some agriculture operations. The bill clarifies the role of third-party providers and expands options for the Secretary to create alternate certification methods in improving access of agriculture producers for technical support.

The Committee is aware of the increased pressure being placed on agricultural landscapes to deliver clean and abundant drinking water for our communities. The locally driven, voluntary, incentive-based conservation programs encompassed in the farm bill will

play no small role in meeting this need. While these programs accrue wide ranging and far reaching benefits across America, we believe targeting a portion of these resources to source water protection measures is prudent for agriculture and our communities. The Committee looks forward to working with the Secretary to identify targeted water-supplying watersheds and effective conservation measures that could produce tangible benefits to water quality and watershed health under this new provision.

The Committee encourages NRCS to continue to work with the United States Forest Service and State forestry agencies to streamline and align forest management plan requirements in non-industrial private forestry assistance programs administered by each of these agencies. The Committee recognizes the unique interests each agency brings to forest management planning and encourages the natural resource conservation component of NRCS technical assistance be complimentary to the interagency forest planning effort.

The Committee retains Section 1244(h) of the Food Security Act of 1985, "Encouragement of Pollinator Habitat Development and Protection" without changes. The Committee continues to recognize the economic interest of agriculture producers and American consumers in ensuring a healthy, sustainable population of native and managed pollinators, including managed honey bees. The Committee remains concerned about the decline in the health and viability of managed honey bees due in part to a loss of appropriate habitat. To enhance ongoing efforts of increasing pollinator habitat on conservation lands, the Committee draws the Department's attention to this existing provision and emphasizes our expectation that all the programs under the Conservation Title provide support and encourage producers to develop, maintain, and protect pollinator habitat.

Establishment of State technical committees

This bill amends section 1261 of the Food Security Act of 1985 to include a representative from a State's land-grant college or university as a member of the State Technical Committee. Although there are commonalities among the States, many issues pertaining to soil and water conservation research are peculiar and unique to a State. The peculiarities and uniqueness are further highlighted and exacerbated on a regional level. State land-grant colleges and universities conduct soil and water conservation research that is important to consider in implementing conservation programs. In fact, much concern has been expressed regarding inappropriate soil classifications and seed mixtures used in implementing conservation programs in a State which were inappropriate for the region. Including a representative from each State's land-grant college or university will ensure that the most up to date information is utilized in implementing conservation programs.

Agricultural Conservation Easement Program (ACEP)

The Committee-reported bill maintains the consolidation of all easement programs in the Agriculture Conservation Easement Program (ACEP) which performs the functions of conserving agricultural lands through the Agriculture Land Easements (ALE) and wetlands through the Wetland Reserve Easements (WRE). The Committee continues to support the efforts of NRCS to preserve

lands for production and conservation into perpetuity, preserving the significant environmental benefits lost when land is converted for development. As such, the Committee-reported bill restores mandatory funding levels and makes significant steps to streamline the application process.

Specifically, the Committee-reported bill clarifies that ALE-enrolled easements may be used for nonagricultural purposes so long as they do not compromise the environmental benefits. It clarifies the Secretary's right of enforcement in the case of fraud or negligence, but does not authorize the Secretary the right of inspection unless the ALE partner fails to enforce the easement. The Committee-reported bill eliminates the burden of a conservation plan for ALE easements, but allows the Secretary to implement a plan on highly erodible land. The bill amends the language associated with the funding sources an eligible entity may use to meet the non-Federal share of the agricultural land easement purchase.

The Committee recognizes the partnership between NRCS and accredited land trusts in implementing ACEP. Section 2503 of the Committee-reported bill creates an equivalency to expedite certification of respected land trusts that have been accredited by the Land Trust Accreditation Commission, and has completed at least five acquisitions of easements under the program to be considered certified for the purposes of the program. Furthermore, the reported bill directs the Secretary to account for geographical differences to maximize on-the-ground benefits.

The reported bill waives the adjusted gross income limitation for landowners participating in easement programs.

Regional Conservation Partnership Program (RCPP)

The Committee continues to believe that a targeted approach to conservation is the most effective way to address various resource concerns on a local landscape-scale. Targeted conservation initiatives can help producers alleviate the burden of regulations, but also preempt the need by tailoring a locally-led, voluntary solution. Through the hearing process, stakeholders voiced broad support for RCPP and how it is currently working to address resource concerns on a locally-led landscape scale.

The reported bill takes forward-reaching steps in adding both CRP and the Watershed Protection and Flood Prevention Program to the list of covered programs. Water quality work in watersheds serving as source water for drinking is added as an eligible activity. The Committee addresses opportunities for renewing successful projects and extending projects beyond five years when the objectives of the program will be better served. Furthermore, the reported bill creates an expectation that the Secretary will streamline the application process and provide greater clarity to eligible partners and producers on quantifying and reporting outcomes from the implemented project. Finally, the program will receive a fixed annual allocation of funds alleviating the complexity associated with using funds appropriated to other programs.

Repeals and transitional provisions; technical amendments

The Committee-reported bill updated the statute to repeal several programs such as the Conservation Security Program and the Terminal Lakes Assistance Program. Further, the Conservation

Stewardship Program is prohibited from enrolling any new contracts or renewing contracts. However, it shall have no effect on existing contracts. The Committee remains committed to the conservation work that the NRCS had accomplished with producers through CSP and has incorporated the essential authorities into EQIP to carry out the mission.

The sense of the Committee regarding other conservation efforts

The Rural Conservation Corps have a long history of supporting voluntary conservation through partnering with Federal agencies to develop and implement critical public lands conservation service projects. Corps are authorized to accomplish this work with USDA and the Department of the Interior (DOI) through the Public Lands Corps Act of 1993. These agriculture partnerships have seen successful because of the capacity. There is a value to the partnerships between Service and Conservation Corps, Conservation Districts, and NRCS to meet locally-driven conservation goals, provide farmer and rancher outreach and technical assistance, complete conservation projects, and develop the next generation of local agriculture and conservation leaders.

The Committee recognizes the importance of maintaining and managing non-industrial private forest cover as a watershed management tool, assuring dependable and clean supplies of water to communities, farmers, ranchers, and downstream industries. The Committee is especially concerned with the risks that unmanaged forests pose to water supplies, especially in areas of high wildfire risk, as well as the impacts of forest conversion to developed uses on sedimentation and flow management. The Committee encourages the Secretary to utilize the program flexibilities and policies within the title to encourage public- and private-sector forested watershed partnerships. The authorities provided for the State Technical Committees should be used to coordinate Federal and private-sector funding and cost-share efforts that can provide private forest landowners resources to implement management actions that protect downstream water quality, address water supply, and flood protection.

The Committee also encourages NRCS to establish at least one pilot to experiment with streamlined private-sector co-investing with NRCS in watershed restoration. The Committee urges NRCS to explore mechanisms that allow the NRCS and private-sector funds to be combined in a watershed restoration fund that makes payments for forest management and restoration activities on private lands to maintain or improve forested watersheds. Such a fund shall ensure that private landowners are the recipient of the benefits and maintain existing NRCS program eligibility requirements for private landowners.

The Committee included specific language in the Agricultural Conservation Easement Program protecting the access of landowners to ecosystem service markets. The Committee intends for the Secretary to continue the Department's existing policy of not claiming any ownership rights over ecosystem services credits generated through participation in USDA conservation programs. The Department is also urged to help communicate to State and local governments about the opportunity to increase the utilization of dairy manure management and other agriculture conservation

technologies by combining USDA funding with ecosystem services credits accounting for the full cost of installing and maintaining a project.

TITLE III—TRADE

Trade promotion

The Committee recognizes the immense importance of trade to the agriculture industry, with U.S. agricultural exports estimated at \$140 billion per year and trade accounting for one in every five dollars of agricultural production value for American producers.

The Committee also notes that while the U.S. is now among the lowest-ranked nations in the Organization for Economic Cooperation and Development (OECD) in terms of support provided to producers, other countries like China are doing the opposite. According to the Office of the United States Trade Representative, in 2015 for three commodities (corn, rice, and wheat), China illegally exceeded permitted spending levels by more than \$100 billion—in one year alone. Furthermore, the Committee understands that our trading partners have been substantially increasing publicly-funded support for export promotion in recent years; for example, the EU spends more promoting wine than the U.S. spends promoting all crops combined.

The Committee has heard from every segment of the agricultural industry about the importance of maintaining support for trade promotion and market development programs, especially considering the uncertainty of the current trade climate. While the Committee is confident that America's farmers and ranchers are incredibly efficient and can compete with anyone in the world on a level playing field, they simply cannot be expected to compete with foreign treasuries on their own.

In an effort to keep American agriculture competitive on the global stage, the Committee-reported bill streamlines existing authorities for the Market Access Program (MAP), the Foreign Market Development (FMD) Program, the Technical Assistance for Specialty Crops (TASC) Program, and the Emerging Markets Program (EMP) under one International Market Development Program, restoring funding for FMD and TASC, and establishing overall funding at \$255 million per year, moving forward.

The Committee intends this streamlining effort to complement the recent reorganization within USDA by ensuring the newly established Under Secretary for Trade and Foreign Agriculture Affairs has the tools necessary to continue tearing down barriers to trade and opening up new markets to U.S. agricultural products.

The Committee wholeheartedly endorses both MAP and FMD as valuable tools in advancing our international trade interests with proven results and substantial net returns. The Committee encourages the agricultural industry to continue utilizing these programs in the most efficient manner possible, and urges MAP and FMD co-operators to leverage data and analytics to even more effectively target promotional efforts for U.S. products abroad.

The Committee also encourages the agricultural industry to take full advantage of TASC and EMP as the Committee is concerned that these programs have been undersubscribed in recent years. However, if these programs continue to be underutilized, the Com-

mittee intends to ensure the Secretary has the flexibility to use remaining funds to supplement the popular and often oversubscribed MAP and FMD programs.

Finally, in recognition of the increasing workload facing attorneys focusing on international trade agreements and disputes within USDA's Office of General Counsel, the Committee encourages the Secretary to maintain a minimum of four attorneys within such office dedicated specifically to these efforts.

International food aid and food security

For more than 60 years, the United States has played a leading role in global efforts to alleviate hunger and malnutrition through international food assistance—primarily through the donation or sale of U.S. agricultural commodities. Through an extensive review of U.S. international food aid and development programs, the Committee heard from the administering agencies, program implementers, producers, millers, manufacturers, and the maritime industry regarding their role in not only providing the tools necessary to respond to emergency feeding and development needs worldwide, but also their contribution to U.S. jobs in the agricultural, manufacturing, and maritime sectors. The stakeholders also made very clear, and the Committee acknowledges, the importance of maintaining broad domestic support for these programs, moving forward. In response, the Committee-reported bill modernizes and reauthorizes international food aid programs to reduce hunger while still recognizing the American farmer's critical and historic role in providing an affordable, safe, and reliable source of nutritious agricultural commodities that are delivered to millions in need around the globe through the help of the U.S maritime industry and private voluntary organizations.

As such, the Committee notes the variety of tools necessary to address hunger around the globe, whether through the provision of cash and vouchers, locally and regionally-procured foods, or U.S.-grown commodities. The Committee, however, also notes the increased flexibility provided in the 2014 Farm Bill, which coupled with existing flexibility in other food assistance programs, results in over 50 percent of food assistance being provided in modalities other than agricultural commodities. The Committee views this unprecedented level of flexibility as an adequate means of appropriately responding to the diversity of existing and forecasted needs and expects USAID to adhere to the intent of the program in its implementation and selection of food aid modalities.

Food for peace

Labeling requirements

Despite providing the lion's share of international food assistance, the Committee is concerned that U.S. contributions may sometimes be underrepresented on related materials including benefit cards and vouchers. The Committee believes review of current printed material labeling practices is warranted, and intends that the level of U.S. assistance be made abundantly clear to reflect the proportional generosity of the American people.

Local sale and barter of commodities

The Committee supports monetization, which is the resale of U.S. commodities in recipient countries to generate development funding. However, the Committee also acknowledges implementing agency challenges regarding monetization and no longer requires a 15 percent minimum for monetization within Food for Peace. The Committee still directs the continued use of this practice wherever market conditions dictate, as deemed appropriate by implementers and local entities.

Minimum levels of assistance

The Committee reauthorizes the required minimum commodity levels at not less than 2,500,000 metric tons for emergency assistance and not less than 1,875,000 metric tons for non-emergency assistance as previously outlined in law. While the Committee acknowledges these minimums are often not met for a variety of reasons, the Committee encourages the Administrator to closely review all opportunities in which commodities can be used effectively to carry out the purposes of the Food for Peace Act.

Funding for program oversight, monitoring, and evaluation

In response to an agency request that funding for program oversight, monitoring, and evaluation fluctuate with appropriated funding levels, the Committee replaced the static \$17,000,000 set-aside for program oversight, monitoring, and evaluation with the authority for 1.5 percent of program appropriations to be used on such activities. The Committee acknowledges the importance of oversight, monitoring, and evaluation to overall program integrity and intends for this programmatic change to reflect that priority.

The Committee has been disappointed in the extent to which USAID has utilized the Famine Early Warning Systems Network (FEWS NET) to provide advance information regarding drought in areas where livestock production is a critical source of food and income. Livestock production has long-term cycles, and the Committee expects—to every extent possible—information on droughts predicted by FEWS NET should be translated into action, program investment, and interventions to mitigate avoidable negative outcomes including the loss of entire breeding herds due to a lack of forage or water.

Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods

The Committee expresses wholehearted support for American producers of Ready-to-Use Therapeutic Foods (RUTF) that create domestic jobs, utilize U.S. commodity inputs, and save millions of lives by providing fortified, nutrient-dense products to vulnerable populations around the world suffering from severe acute malnutrition. The statutory reference to this subset of food aid providers has been updated to the International Food Relief Partnership to reflect industry terminology. The World Bank estimates malnutrition can reduce a country's GDP by as much as 10 percent, and the Committee recognizes the importance of higher GDPs across the globe contributing to not only better lives for those in-country, but also stronger markets for American agricultural products. The Committee commends the innovation of the International Food Re-

lief Partnership that contributes to the U.S. economy and national security.

Consideration of impact of provision of agricultural commodities and financial assistance on local farmers and economy

At the Committee's request, the U.S. Government Accountability Office (GAO) completed a report on USAID and USDA's use of required market impact analysis, known as Bellmon determinations, before signing assistance agreements. The Bellmon process is designed to ensure U.S. food assistance does not negatively impact recipient agricultural markets. GAO found the involved agencies do not consistently complete these determinations before distributing aid. The Committee expects USAID and USDA to complete Bellmon determinations in a timely manner to appropriately use American resources and best serve recipients. Further, given the range of flexibility in the delivery of food assistance, the Committee emphasizes the importance of assessing the potential impacts of all modalities of food assistance.

Prepositioning of agricultural commodities

The Committee notes that the use of prepositioning has been proven to reduce the average delivery timeframe for emergency food aid. In fact, GAO estimates that on average, compared with USAID's standard shipping process, the use of prepositioned food aid reduces delivery time by one to two months. The Committee recognizes prepositioning of American commodities as a valuable tool in the fight against global hunger and encourages an increase in the use of prepositioning to ensure vulnerable populations receive the life-saving nourishment needed in a timelier manner.

Annual report regarding food aid programs and activities

The Committee notes the annual report on food aid programs and activities has consistently been submitted after the statutory deadline. USAID and USDA should cooperate to ensure annual reporting of food assistance is provided in a timely and transparent manner to inform lawmakers about recent activities and support important policy decisions. If the report will not be submitted by the deadline, the Administrator and the Secretary must notify the Committee with pertinent information including why the delay has occurred and when the report will be provided. The Committee further affirms that data included in the report can and should be made available to the public, as appropriate, as the data becomes available, even if that is prior to the full report being finalized. Finally, the Committee expects USAID to provide a more comprehensive and detailed explanation of the uses of funds set aside to carry out 202(e) of the Act as well as those used for internal transportation, storage, and handling purposes. The Committee cannot and will not support sweeping changes to such provisions without a better understanding of how such funds are currently being utilized and any legal obstacles within the current framework.

Minimum level of nonemergency food assistance

The Committee emphasizes the ongoing importance of non-emergency development assistance, and seeks to make clear the authority of the Administrator to count Community Development

Funds (CDF) toward the “safebox” minimum. Such a change, however, should not be interpreted as a departure from ardent support of development activities, or an intent to reduce aggregate funding dedicated to such purpose. Nonemergency development assistance complements capacity building to strengthen resiliency and transition countries from food aid recipients to trading partners. The Committee strongly believes promoting agricultural development, especially in Africa and other rapidly developing growth markets, is in our national interest.

John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

The Farmer-to-Farmer Program was designed to leverage the expertise of volunteers from U.S. farms, universities, and other agricultural entities to assist host-country farmers in specific, short-term projects that are technical in nature. The Committee contends the best use of program resources is on technical projects, and recognizes the importance of strengthened communication and project coordination to ensure volunteer areas of expertise are of direct benefit to host country needs. Additionally, the Committee-reported bill calls for sequenced assignments to build longer-term continuity and increase capacity building within the program. The Committee commends Farmer-to-Farmer for utilization of retired agricultural extension personnel within the program, and hopes to see increased participation from this knowledgeable pool of potential volunteers.

Good governance and social accountability

The Committee recommends that good governance and social accountability approaches be included in all development food security activities carried out under Food for Peace. These approaches empower citizens to improve their own food security by holding governments and institutions accountable, and by ensuring they are transparent and responsive to community needs. The Committee is encouraged by evidence demonstrating that social accountability programs improve service delivery and overall project outcomes, which can accelerate the graduation of Food for Peace program participants successfully off the program and promote the transition of programs toward full country ownership.

Local and regional food aid procurement projects

The Local and Regional Food Aid Procurement (LRP) Program complements in-kind programs, especially the McGovern-Dole International Food for Education and Child Nutrition Program (McGovern-Dole Program), which supports school feeding projects around the world. Authorized within the 2014 Farm Bill after a successful pilot program, LRP allows USDA to assist local farmers and communities in building the capacity to produce food used in local schools with an emphasis on meeting quality standards and product specifications, ensuring food safety and nutritional content within each project. USDA works with recipients to address market sensitivities in local and regional purchases. The Committee supports continued and enhanced use of this program to complement in-kind food aid programming and to appropriately serve recipients, including children benefitting from the McGovern-Dole Program.

Bill Emerson Humanitarian Trust

The Bill Emerson Humanitarian Trust (BEHT) was created as a reserve under the Secretary's authority for the use of commodities in times of emergency. The Committee reaffirms the 2008 change that transitioned the trust from a reserve of actual commodities to a reserve fund to be used for the purchase of commodities to provide aid when unforeseen food needs arise. As the United States seeks to assist those suffering as a result of recent famine and natural disaster, over \$281 million currently sits available within the BEHT. The Committee believes the time has come to access this vital reserve, and hopes the Secretary and the Administrator will seriously consider using these funds to provide commodities in areas impacted by the current famines.

Food for Progress

The Committee affirms the importance and effectiveness of Food for Progress in delivering non-emergency development assistance, serving many of those most in need around the world. It is also an appropriate avenue, among currently approved uses of the program, to address the need to increase productivity via improved access to agricultural inputs for smallholder farms, particularly in Africa. While corn yields for farmers in Africa average around 30 bushels per acre, U.S. corn yields are over 175 bushels per acre. For many farmers in developing countries, these types of yield gaps could be dramatically reduced by having local access to seeds, fertilizer, and other basic production inputs and services. Those inputs and services can often be delivered via public-private partnerships to establish commercial value chain systems that serve communities and improve food security well beyond the involvement of Food for Progress.

McGovern-Dole International Food for Education and Child Nutrition Program

U.S.-sponsored school feeding projects continue to reduce hunger in children around the world. The Committee notes the McGovern-Dole International Food for Education and Child Nutrition Program's critical nature and seeks to ensure the program's primary focus remains on providing food. Such a focus more appropriately aligns with USDA expertise and allows other agencies, organizations, and funding sources to be used on complementary services.

The Committee-reported bill directs USDA to ensure when possible that deliveries of agricultural commodities within the McGovern-Dole Program correspond with recipient school term start dates. Similarly, subsequent deliveries should take academic calendars into account to provide agricultural commodities appropriately throughout the term. This prioritization will foster program effectiveness and further incentivize students to consistently attend school.

Additionally within the program, the Committee recognizes the importance of local engagement for the sustainability of school feeding programs beyond the U.S.'s involvement. The program is most successful when the government of the recipient country is engaged and supports school feeding as a national requirement, or is at a minimum transitioning in that direction. The Committee urges the Secretary to require eligible organizations to indicate

agreement in grant proposals between the government and the implementing partner regarding transition plans and timelines, including milestones for the program's successful transition to local institutions, to facilitate greater progress toward the graduation requirement, and build successful transitions to nationally funded and operated school feeding programs.

International technical assistance

The Committee encourages the Secretary to compile and make publicly available information from appropriate mission areas including the Food, Nutrition, and Consumer Services (FNCS) related to international food security. Additionally, the Secretary should provide technical assistance to entities seeking food insecurity expertise related to international program development as long as the technical assistance does not place undue cost or burden on the Department.

Cochran and Borlaug fellowship programs

Within both the Borlaug International Agricultural Science and Technology Fellowship program and Cochran Fellowship Program, the Committee encourages the Secretary to leverage the impact of the program by connecting newly-trained fellows with one another and with U.S. government-sponsored agricultural development and research projects in their home countries. Further, maintenance of a fellowship network would boost U.S. development efforts and strengthen foreign agricultural self-sufficiency.

Additionally, within the Borlaug and Cochran Fellowships, the Committee notes the intangible benefit of increased connection to, and appreciation for, the United States; along with technical education. As the Secretary seeks added efficiency and cost-effective programming, the Committee acknowledges that in-country training may sometimes be appropriate as opposed to training within the United States. The Committee seeks to maintain programmatic intent, but wants to allow flexibility where it may be helpful.

The Committee recognizes Norman Borlaug as one of the most influential agricultural leaders in world history. The Borlaug Fellowship pays tribute to his legacy through critical food security training and research across the globe. Although the Committee creates a new provision within the Borlaug Fellowship, in no case should the newly included programming detract in purpose or appropriations from the existing fellowship program.

The new provision within the Borlaug Fellowship allows the Secretary to offer fellowships to U.S. citizens with relevant education in agricultural extension and training to be placed in eligible countries. The Committee recognizes that youth engagement is critical for agricultural development. The Committee believes this provision will provide valuable opportunities to young agriculturalists in eligible countries—a growing and critical population with a need for increased access to agricultural knowledge and skills in order to enhance food security in their respective countries. Participation in such a fellowship will also provide valuable work experience for emerging American agricultural leaders.

Global Crop Diversity Trust

The Committee affirms the importance of the Global Crop Diversity Trust for ensuring the conservation and availability of crop diversity for food security worldwide. The Committee makes a statutory adjustment to the aggregate percentage of allowable support based on concerns that the release of funds to the Trust is impacted by the form of international contributions to the Trust, which can include amounts outside of the endowment, including concessional loans and operational support. In recent years, the Committee notes the full amount appropriated to USAID has not been released to this program because of claims the U.S. is at or near the statutory 25-percent threshold for contribution, but in fact, when donations into other categories of funding for the Global Crop Diversity Trust are included, the U.S. is far from reaching the maximum threshold. However, this change should not reduce any program funding, including appropriations made available to the Consultative Group on International Agricultural Research (CGIAR) and Feed the Future Innovation Labs.

TITLE IV—NUTRITION

Supplemental Nutrition Assistance Program

The Supplemental Nutrition Assistance Program (SNAP) currently offers nutrition assistance to 42 million individuals, providing an average benefit of \$254 per household. Total SNAP-related funding in FY 2017 was \$68 million, which includes benefits, administration, nutrition education, employment and training, and program integrity. Total benefits provided to households in FY 2017 summed to \$63.7 million.

In the 114th Congress, the Committee on Agriculture embarked upon a comprehensive review and hearing series of SNAP entitled, *Past, Present, and Future of SNAP*. The hearing series included 21 hearings and the testimony of 81 witnesses—the latter including experts, program administrators, front-line operators, and most importantly, SNAP recipients. The Committee notes that throughout this hearing series, Members—regardless of party affiliation—engaged on the importance of work, the necessity for increased funding to support those who are work-capable, and the necessity to address administrative challenges. The review provided the evidence necessary for the meaningful reforms included in the Agriculture and Nutrition Act of 2018—reforms to a program which continues to help the most vulnerable Americans during their time of need while assisting those able to move toward sustainable employment and self-sufficiency.

The SNAP reforms included in H.R. 2 are a critical part of the Committee's ongoing responsibility to oversee and improve the nation's foremost nutrition program. The Committee modernizes program delivery, closes program loopholes, improves program integrity, invests in employment and training programs, incentivizes healthy purchases, and enhances nutrition education programs.

Modernize and enforce asset tests and general program administration, streamline State options, reform quality control metrics, and hold States and retailers accountable to combatting fraud, waste, and abuse.

The Committee establishes the Duplicative Enrollment Database (DED), an interstate database system for States to utilize when making eligibility determinations to ensure households are not receiving SNAP benefits in multiple States. The DED is based on the National Accuracy Clearinghouse (NAC) pilot project that tested the detection and prevention of duplicate participation by beneficiaries of SNAP. The NAC was piloted in five southeastern States with much success, saving \$5.6 million in just one year. The Committee encourages the Department and States to build on the success of the NAC pilot, and to act expeditiously in implementing the DED. Further, the Committee highlights its concern that there is no complete or comprehensive data on SNAP recipients or program success. The Committee holds that if there is no evaluation of participant tenure on the program, there can be no measure of program success. To rectify this lack of data necessary to measure and improve program design and effectiveness, the bill also requires States to capture data on SNAP participants in their State and submit reports to the Secretary.

The passage of the Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 afforded States the opportunity to use categorical—automatic—eligibility to confer SNAP eligibility to households receiving benefits from other low-income assistance programs, *i.e.*, Temporary Assistance for Needy Families (TANF). As of 2018, 42 States use broad-based categorical eligibility (BBCE) to waive asset tests; and 31 of those 42 States use it to simultaneously raise the gross income limits of SNAP eligibility parameters by permitting households to use the asset and gross income test of the alternate assistance program, thereby conferring eligibility to those households receiving TANF-funded brochures or hotline numbers. The Committee limits categorical eligibility to households that are determined eligible for cash assistance, or ongoing and substantial assistance, or services (*e.g.*, child care, transit, and counseling) for programs that are income-tested at 130% FPL (200% FPL for households with elderly or disabled individuals). The Committee notes that this provision also takes into consideration the testimony heard in the aforementioned hearing series, and Members' requests for a more standardized approach to categorical eligibility. It is estimated that less than one percent of SNAP recipients would be impacted by this change, but is also important to note that the regular channels of SNAP eligibility remain available.

The Committee recognizes that most asset tests have not been updated since the 1970s and sees the need for updated asset tests in coordination with the improvements in categorical eligibility. Accordingly, the bill modernizes asset testing for SNAP households. Overall asset limits for households increase from \$2,250 to \$7,000 (indexed annually for inflation), and for households with an elderly or disabled member it increases from \$3,500 to \$12,000 (indexed annually for inflation). The bill also allows SNAP participants to maintain up to \$2,000 (indexed annually for inflation) in savings accounts that do not count toward a household's assets for eligi-

bility determinations. SNAP households that attempt to save and prepare for life's uncertainties will no longer be penalized for doing so, and allowing for additional funds in savings means a household is more likely to gain the strong footing it needs to ultimately move up and off the program.

Additionally, the bill excludes the first \$12,000 in value (indexed annually for inflation) of one vehicle per licensed driver in a SNAP household. The Committee recognizes the need for access to reliable transportation, particularly in rural areas, to get to and from work, school, and the grocery store. The Committee believes all households nationwide need this sort of access; as a result, the bill eliminates the option to use TANF vehicle rules. The modernization of asset limits is good, sensible policy.

The Committee eliminates a loophole in SNAP eligibility and benefit determinations related to Standard Utility Allowances for heating and cooling costs (HCSUA). Currently, many States automatically grant an HCSUA to households without heating and cooling expenses, and this HCSUA is then used in the calculation of household benefits. The practice falsely inflates household benefits. This is most often done via States providing nominal heating and cooling cost assistance of just over \$20 to households through Low-Income Home Energy Assistance Program (LIHEAP) payments. The Committee notes that the changes in this bill do not change the basis of the normal pathway of qualifying for the HCSUA—incurring a heating or cooling expense. Further, the change is not applicable to households with an elderly member, and those households continue to be eligible for the HCSUA if they receive heating and cooling assistance of more than \$20. The Committee also notes the ability of States to decide how they will verify a household has incurred utility costs and expects that States may make adjustments in those requirements for additional vulnerable households.

Benefits for the Supplemental Nutrition Assistance Program are based on USDA calculations of the cost of food. However, SNAP benefits can become out-of-date based on inconsistent review of the Thrifty Food Plan (TFP). The Committee requires that the TFP be re-evaluated every five years to ensure it reflects current eating habits of Americans, including patterns of food preparation, and the items most often purchased by consumers.

The Committee notes two significant issues related to child support, and the Agriculture and Nutrition Act of 2018 takes important steps to address both. States have the option to treat legally obligated child support payments as an income exclusion rather than a deduction, impacting SNAP benefit determinations. Additionally, States do not enforce child support orders, thus discouraging parents to be the first avenue of support for their children. The Committee directs that child support payments made to non-household members be treated as an exclusion from income (rather than a deduction), encouraging child support payments by excluding the amount paid from the payer's gross income. Additionally, the Committee requires child support cooperation for both custodial and non-custodial parents, given that parents should be the first avenue of support before government intervention. The Committee also notes that the elimination of SNAP disqualification for parents who pay child support, but who may be behind schedule, is an in-

centive for those parents to continue to make payments, rather than stop making payments entirely.

In the SNAP hearing series, the Committee learned that there are some active-duty military personnel who require SNAP to provide for their families. While the rate of military pay is well beyond the jurisdiction of the Committee, and is a much more critical determinant of a household's wellbeing and financial and food security than any SNAP eligibility rule, the Committee takes an important step toward addressing concerns about active-duty military households. The Committee provides that up to \$500 in a household's Basic Allowance for Housing (BAH) should not be included in the calculation of household income. This level of exclusion guarantees that those households which are truly most vulnerable and most likely to be food-insecure can be eligible for SNAP. In doing so, the Committee also protects against potential double-counting by ensuring that only actual housing expenses that exceed the amount of the BAH are to be used in the calculation of the excess shelter deduction.

The Committee has significant concerns regarding companies associated with the handling of Electronic Benefit Transfer (EBT) transactions who have predatory contracts between EBT processors. In response, the Committee disallows the charging of fees for switching or routing SNAP benefits. EBT systems successfully handle eight million transactions per day, nearly three billion per year. The establishment of a National Gateway provides USDA with necessary oversight over the flow of EBT transactions, helping to control costs and allowing USDA to develop additional tools to ensure the integrity of SNAP and its related transactions is upheld. The National Gateway also assists in controlling access to individuals' payment information, and enables the discussion of new payment technologies. The provision regarding the prohibition of fees as noted previously is also maintained.

The Committee is dissatisfied by the rate of implementation of the pilot established in the Agricultural Act of 2014 for the online delivery of benefits. Online entities have the potential to significantly improve access, including access to perishable items, for food-insecure households, and particularly those not located in close proximity to a retail food store. The Committee believes online delivery will assist in improving food access in food deserts in both rural and urban America. The Committee encourages the Food and Nutrition Service (FNS) to implement and evaluate the pilot expeditiously, and directs that upon the completion of the online delivery pilot, the Secretary shall approve the acceptance of benefits through online transactions nationwide.

The Federal Government has a responsibility to evaluate SNAP for both program improvement and program integrity. To do so, USDA needs sufficient access, in accordance with agreements with States, to State systems and records. In particular, this allows for more transparency and a greater ability to detect and reduce fraud. The Committee authorizes USDA access to records and information systems in order to better manage the program.

The Committee believes that to improve SNAP program design, it is important to have a clearer picture of items being purchased with SNAP funds. The Committee recognizes there is not a current system in place for collection of real-time, purchase-level data from

SNAP-authorized retailers. As such, the Committee expects the Secretary to work with SNAP authorized retailers and their trade associations to devise an efficient way to share information about purchases made utilizing SNAP as a form of payment, giving consideration to the diversity of customers and purchases, geographic location, time of year, and day of the month. The Committee further recognizes that the Secretary's solution may include the use of information from syndicated data providers. The Secretary is encouraged to work with SNAP-authorized retailers who are able to efficiently share this information, recognizing that many SNAP-authorized retailers may face challenges such as technological constraints. The Committee recognizes the importance of guarding the information of SNAP recipients and SNAP-authorized retailers and provides strong protections for the privacy of both.

SNAP is often lauded as having a low error rate, ignoring the fact that any underpayment or overpayment error under \$37 is ignored. The reported error rate for SNAP should be based on all errors, not errors below this arbitrary threshold. The Committee notes that no other safety net program with an error rate has a similar error tolerance threshold. Further, the Committee notes that the adjustment in the reported error rate in no way impacts the dollar value at which States must establish claims to recoup overpayment of benefits, which are set elsewhere in regulation with options for alternative State thresholds.

The Committee notes significant abuse resulting from the incentives to miscalculate error rates in response to State performance bonuses. The Committee has ongoing concerns about perverse incentives created by the State performance bonuses, in addition to a general expectation that States should not need a bonus to administer practices that should be standard operating procedures. These are more than sufficient reasons to end State bonuses while continuing to uphold the measurement of State performance. States will continue to be held responsible for administering SNAP, and legally bound to processing applications in a timely manner, ensuring households receive the accurate amount of SNAP benefits, and making certain the program is administered in the most effective and efficient manner.

Implement and mandate constructive and empowering work requirements that are balanced with a strong investment in proven tactics to assist recipients in climbing the economic ladder

It is the intent of Congress to augment—not change—the purpose of SNAP to include an increase in those employed, encourage healthy marriage, and to promote prosperous self-sufficiency, all the while continuing to strengthen the agricultural economy and providing for improved levels of nutrition among low-income households through a cooperative program.

The Committee recognizes that insufficient, vague, and unenforceable work requirements—further undermined by State bureaucrats who find loopholes to waive individuals from participating—dissuade employment and restrict opportunities for SNAP recipients. The requirement for Able-Bodied Adults Without Dependents (ABAWDs) has failed to be implemented equitably across States, and where it has been implemented, has failed to incentivize employment. The general work requirement for those 18–59—an ac-

knowledge exercise on an eligibility form—produces no results and allows for almost 10 million individuals to remain on the rolls with no incentive to change their outlook or that of their family. Additionally, current Employment and Training (E&T) services are inadequate and underfunded, resulting in scattered programs and minimal participation.

The Agriculture and Nutrition Act of 2018 pairs a realistic, supportive, and simplified work requirement with funding for States to provide guaranteed and improved options to move participants toward improved wages, higher quality employment, and independence of government aid. The bill does this by way of establishing a substantive work requirement for all work-capable adults age 18–59, thus eliminating both the general work requirement and the ABAWD time limit, with exemptions for specific populations including the elderly and disabled, the caretaker of a child under the age of six or of an incapacitated child, or those who are pregnant. This work-capable population will be prepared for work through a modernized and historic investment in E&T, that which provides an enhanced suite of ancillary services like assessments, case management, and updated and evidence-based activities.

To ensure this investment yields results, the Committee’s intent is that these requirements are mandatory; again, the Committee has been provided with a unique opportunity to expand funding for these life-changing programs by closing loopholes and improving opportunities for individuals who have been marginalized by a lack of employment, education, and life circumstance. For 20 hours per week, and increasing to 25 hours per week in 2026, work-capable adults must work, participate in a work program (e.g., WIOA), or participate in SNAP E&T. The Committee’s intent is that each State will offer a slot to every eligible adult, and in the event a State fails to do so, they are penalized via administrative sanction or funding penalty. If the State fails to fulfill this obligation, the eligible participant is not penalized. If the participant refuses or fails to participate, and good cause has been considered and deemed inapplicable, the participant is no longer eligible for SNAP for a period of 12 months. Each subsequent determination of failure to participate results in an ineligibility period of 36 months.

States will maintain the ability to both exempt up to 15% of their work-capable and eligible population, as well as the opportunity to apply for waivers in times of high unemployment. The 15% exemption is meant to excuse individuals who need short-term reprieve from participation, or for those specific populations the State determines must be excluded. Annual carryover of unused exemptions is no longer permitted. The Committee recognizes the problematic history of the practice of combining, or gerrymandering, areas to significantly increase the area covered by geographic waivers of the previous ABAWD work requirement. To address this, the Committee restricts waivers to “individual areas,” with the intent that States; counties, parishes, and other county-equivalents; and metropolitan statistical areas be considered individual areas. The Committee notes that the Secretary’s regulatory language shall reflect as such, and not provide consideration for any areas smaller than a county or county-equivalent. As an example, the Committee does not intend for areas considered “community districts” to qualify for waivers. The Committee prohibits the combining of any of these

aforementioned types of individual areas to increase the areas subject to a waiver. Lastly, as it pertains to these waivers, it is the Committee's intent to provide the Secretary with discretion as it relates to the acceptance or denial of them; waivers shall not be readily approved based on the criteria set forth in the Agriculture and Nutrition Act of 2018.

While the Committee emphasizes that there is no benefits cliff in SNAP because program benefits adjust relative to increases in income, the Committee recognizes that other low-income assistance programs often result in a significant drop (or "cliff") in household income when an individual loses eligibility for those programs. In order to help address this, the Committee provides that all States will offer five months of SNAP benefits for individuals who are transitioning off of TANF cash assistance.

The Committee believes in and emphasizes the importance of work as a means to improve household food security, far more so than the benefits provided by SNAP. The earned income deduction is increased by 10% (to 22%) of earned income. This is a direct increase in benefits to households with earned income.

Broaden the consumption of healthy foods and readjust nutrition education to better address the needs of low-income individuals

The Committee emphasizes the importance of healthy eating for all Americans, including SNAP participants. The Committee also highlights the Foods Typically Purchased by Supplemental Nutrition Assistance Program (SNAP) Households report published by USDA in 2016, which found 20 percent of SNAP household spending was on items such as sweetened drinks, desserts, salty snacks, and candy. Further, the Committee recognizes that there is additional opportunity to leverage the year-round access and convenience provided by retail food stores.

The Retailer-Funded Incentives Pilot provides \$120 million per year to supplement up to 25% of the value of bonuses retailers are authorized to provide to SNAP recipients for the purchase of minimally processed fruits and vegetables, and dairy. The design of the program is left to the innovation of retailers, to be approved by the Secretary, but the Committee envisions it may include leveraging of existing store rewards programs.

The Committee notes the success of the Food Insecurity Nutrition Incentive (FINI) Program established by the Agricultural Act of 2014. FINI encourages the consumption of healthy foods, including fruits and vegetables. Historically, FINI was delivered at farmers' markets and the Committee believes providing an opportunity for retailers to deliver healthy incentives is vital because it allows potential year-round access to fresh fruits and vegetables for SNAP participants. Building on that success, the Committee reauthorizes FINI and establishes a training, evaluation, and information center for best practices, intended to improve effectiveness of applicants and recipients of FINI grants.

The Agriculture and Nutrition Act of 2018 consolidates two existing nutrition programs carried out under two different authorities—Section 28 of the Food and Nutrition Act of 2008 and Section 1425 of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (with appropriations references to the Smith-Lever Act). In examining these programs, the Committee notes

that the two programs, operated by two different agencies at USDA, encouraged and allowed duplication and inefficiency; although the education strategies employed by the programs are somewhat distinct, there is no policy rationale for separate programs. The Committee consolidated the best features of each program into a single, improved program, and established funding of \$485 million per year in mandatory funding and up to \$65 million per year in discretionary funding. The Committee directs NIFA and FNS to work cooperatively in the administration of the program, building on the expertise of each, and in coordination with the States and with the 1862 and 1890 Land-Grant Universities (LGUs) that receive the funding and partner with front-line operators to deliver nutrition education. State plans mandated by the Agriculture and Nutrition Act of 2018 are intended to create a unified nutrition education program in coordination, cooperation, and consultation with the State agency implementing the SNAP program. The eligible institutions (1862 and 1890 LGUs) will implement a program that includes partnerships with public and private entities as applicable that are positioned to advance the effective and efficient delivery of the program to eligible individuals. The Committee expects the 1862 and 1890 LGU institutions to collaborate and determine their appropriate roles, recognizing the capacity capabilities and unique abilities of each institution. In States with both 1862 and 1890 institutions, extension leadership will develop, submit, and implement an equitable plan for distribution of funds. Funding streams should appropriately recognize the effort expended by each institution in each State.

Further, the Committee expects the Secretary to ensure that any State eligible institution no longer has a substantive role in implementing State SNAP nutrition education plans is provided with focused technical assistance to ensure an effective, efficient transition to meet the new program delivery requirements. Further, for all States, the Committee encourages the Secretary to ensure that each State agency provides a transition strategy that adequately provides the Secretary assurance of an effective and efficient transition while working in good faith to minimize impacts on eligible individuals' access to services and benefits during this transition phase. The Committee expects NIFA and FNS to implement appropriate research strategies, especially within the LGU institutions, to ensure the constant improvement and efficacy of nutrition education. The statute establishes the requirement that NIFA's new administrative responsibilities in providing the nutrition education grants to State implementing agencies is to be conducted in consultation with FNS to guide effective program administration, as well as in the development of guidance and regulations as applicable, but provides for the Secretary to determine the practical roles and responsibilities therein. The Committee expects the Secretary to allocate administrative funds to both NIFA and FNS respectively that reflect each agency's administrative responsibilities, as determined by the Secretary, in accordance with the program and the Secretary's authority.

In addition, USDA currently utilizes the SNAP–Ed Program Development Team (SNAP–Ed PDT) to foster communication and understanding among Federal and State/university organizational systems and to provide leadership to professional/staff development

and program planning, management, reporting, and evaluation. The Committee expects USDA to continue utilizing the SNAP–Ed PDT in the implementation of the nutrition education program established in the Agriculture and Nutrition Act of 2018. The Committee intends that the 10 percent cap on administrative costs include the financial costs characterized by the following types of activities: dollar value of salaries and benefits associated with staff time dedicated to the administration of the nutrition education program; cost of training for performing administrative functions like record keeping and accounting, *etc.*; cost of reporting nutrition education program activities; operating costs; indirect costs for those administrative staff not covered above; and other overhead charges associated with administrative expenses (*e.g.*, space, human resource services, *etc.*). The Committee requests a written report from the Secretary on implementation, including agency roles, administrative funds allocations to each agency with projected administrative costs for each agency to conduct effective oversight and administration, the Federal implementation strategy, State-level readiness status of eligible institutions for program implementation, as well as any remaining unresolved administrative and implementation objectives required by statute no later than 180 days following enactment.

The Committee builds on previous successes of The Emergency Food Assistance Program (TEFAP) with an increase of \$60 million each fiscal year, with \$20 million each fiscal year to be used to establish a Farm-to-Food Bank Program in each State. Currently, more than 20 States administer farm-to-food bank programs that direct excess agricultural products from farmers to food banks for distribution to low-income households. The intention of the Farm-to-Food Bank Program is for States to administer an agricultural surplus clearance program that prevents unnecessary waste and reduces loss in the agricultural industry, while providing an inexpensive source of healthy food for low-income families.

The Committee recognizes that there are a variety of viewpoints regarding the *Scientific Report of the 2015 Dietary Guidelines Advisory Committee*. The Committee encourages USDA to insist that more rigorous and science-based recommendations are considered, maintaining the scientific integrity necessary to improve nutrition-related outcomes.

In recognition of the significant program improvements the Committee directs in Subtitle A, the Committee provides \$150 million in implementation funds to the Secretary.

TITLE V—CREDIT

The Committee understands that access to credit is crucial to America's rural economy, but more importantly to the health and success of family farmers, ranchers, and foresters. To that end, the Agriculture and Nutrition Act of 2018 provides greater flexibility to the Farm Service Agency (FSA) in facilitating programs that increase credit availability to rural America.

The Committee recognizes the diverse needs of producers of all sizes, experience, and backgrounds. To address these needs, the Committee maintains the loan levels and loan fund set-asides for beginning farmer and rancher operating loans and reauthorizes the microloans program to continue to provide greater access for begin-

ning farmers and ranchers. In an effort to provide greater participation for beginning farmers and ranchers the Committee amends the Farm Ownership Loan Program to grant the Secretary enhanced flexibility to allow military experience or agricultural education to qualify for a portion of the 3-year farming or ranching experience requirement to become an eligible borrower.

The Committee notes that agricultural production is capital intensive, yet producers operate in markets with extremely slim margins. As such, the Committee-reported bill reauthorizes and increases the loan limitations for guaranteed farm ownership and operating loans to \$1,750,000 to account for growing capital needs in rural America. Furthermore, the Committee-reported bill reauthorizes the conservation loan and loan guarantee program at \$75,000,000 annually.

The Committee recognizes the important role the Farm Credit System and the national, regional, and community banks plan in providing credit to rural America. The Committee-reported bill clarifies the oversight authorities of the Farm Credit Administration (FCA) to ensure all participants in the System are in compliance with the Farm Credit Act. As such, the Committee-reported bill updates the Farm Credit Act of 1971 by eliminating references that are out of date based on current markets and regulations. Additionally, the Committee-reported bill grants the FCA civil enforcement authorities—similar to those of other agencies—enabling the agency to hold accountable employees of System institutions who have resigned or been terminated for up to six years following the employee's departure from the institution. This authority allows FCA to prevent ex-employees from simply leaving the System without any repercussions for potential malfeasance.

The Committee-reported bill modernizes the 1,000 acre limitations on farm mortgages sold to Farmer Mac. The Committee recognizes U.S. agriculture has undergone substantial structural changes over the last 30 years when the average size of crop farms was 589 acres. Many farms have consolidated and undergone substantial growth to become more resilient to the market realities of today. The Agriculture and Nutrition Act of 2018 updates the limit to 2,000 acres, which will allow for the majority of all cropland to access the lending source while still holding true to servicing family farms that have grown overtime.

The Committee-reported bill extends the State Agricultural Mediation Program to help agricultural producers, their lenders, and other persons directly affected by the actions of USDA, resolve their disputes. The Committee recognizes mediation as a valuable tool for settling disputes in a variety of USDA program areas.

TITLE VI—RURAL DEVELOPMENT

The past thirty years have been a time of enormous transition for America. The technological revolution that was ushered in at the close of the cold war empowered ordinary Americans to create, invent, and remake our world in ways that few were able to comprehend at the time. It has produced a burst of innovation and wealth creation that knows few parallels in history.

Yet, like many other periods of rapid advancement, the effects of the change are felt unevenly. This innovation began with computers, but it became revolutionary when computers became com-

munications tools and access points for a vast network of human knowledge. In less than a generation, the Internet has become the essential network for business, communications, information, and entertainment.

Despite the rapid and complete adoption of this technology in much of modern life, too many rural Americans have been locked out of the technological revolution, because they are unable to connect to the Internet.

The implications can be seen across rural America. It is notable in health care, where access to specialists and advances that are a few clicks away in urban hospitals cannot be reached in rural America. It is evident in the economy, where the latest technology to boost efficiency is dependent on centralized computing resources held in the cloud that cannot be reached in rural America. It is obvious in education, where research and lectures and data that are available in any suburban home cannot be reached in rural America. It is apparent in commerce where whole new industries that have flourished online cannot be reached in rural America. And is evident in our civic life, where citizen engagement and government outreach has moved to websites that cannot be reached in rural America.

Today, the inequities of life without reliable, high-speed Internet can be compared to those without the other modern networks that form the foundations of technological revolutions of the past: the transportation networks like canals, railroads, and interstates that create markets for commodities and goods; the energy networks like rivers and electrical grids that multiply the power of labor; and the communications networks like the telegraph and telephone that fractionalize time and distance.

The Internet is no less essential than these technologies for creating an interconnected, interdependent nation in which every American has the opportunity to participate fully in commercial and civic life. But it isn't just rural America that needs rural internet connectivity. As Mr. Craig Cook, Chief Operations Officer for Hill Country Telephone Cooperative, Inc. based in Ingram, Texas, explained to the Committee during his testimony on March 9, 2017: ". . . rural areas are extremely important, and providing them the same level of service that is available in urban areas is critically important, not only for the success of those rural areas, and enabling those rural areas to compete in a global economy, but also ensuring that urban areas are well served by the rural areas."

Reliable, high-quality access to the Internet fundamentally underpins the economic development needs of all of rural America, but it also enables rural Americans to contribute the talents and successes of its citizens to our national economy. Today, entire businesses and institutions exist solely within the confines of the Internet, inaccessible to those without a connection. The latest information, the broadest set of ideas, and the best options are not only invisible to those who cannot access the network, but also devoid of contributions from them. We are all poorer for their exclusion.

Against this backdrop, the Committee considered changes to the programs designed to promote economic and social development in rural America. The Committee-reported bill addresses several issues of priority for rural communities, including access to high

quality health care services and affordable broadband connectivity, expanding credit and capital for infrastructure and economic development, and improving the coordination of neighboring rural communities. Yet, above all, it views the expansion of broadband internet access as the foundation on which rural prosperity and rural inclusion must be built.

Subtitle A—Improving Health Care In Rural Communities

While broadband Internet connectivity is the long-term infrastructure challenge that the Committee believes will underpin rural advancement in the years to come, rural Americans also face several immediate health care challenges that the reported bill seeks to address.

Throughout the 2018 Farm Bill process, the Committee has remained focused on the opioid crisis that is unfolding across the nation. The crisis demands a response from the whole of government and USDA has an important role to play in financing the infrastructure needed by communities and not-for-profits. The 2018 Farm Bill provides the Secretary the authority to prioritize those projects that can best help address this health crisis.

In addition to the opioid crisis, the Committee also recognizes the challenging economic conditions in farm and ranch country that are leading to a silent epidemic of suicides among agricultural families. As farm income has fallen precipitously, economic stress on families is growing, and the agricultural community is in need of reliable sources of mental health care.

In addition to these two specific health issues, rural Americans face a more generalized problem of access to health care services. Access to both medical care and medical insurance services is often more challenging for individuals outside of urban and suburban communities. To that end, the Committee reauthorizes the Distance Learning and Telemedicine Program and establishes a new program to assist farm and ranch organizations in establishing Association Health Plans for their members.

Section 6001 provides the Secretary with flexible and temporary authority to address a broad range of potential health crises in rural America. Today that health crisis is opioids, but the Committee-reported bill provides the Secretary the authority to address any future health crisis, by providing set-asides or priorities in several programs, including the Distance Learning and Telemedicine Program, the Community Facility Loan and Grant Programs, and the Rural Health and Safety Education Program.

The Committee encourages the Secretary to provide clear guidance to potential applicants about the types of projects that will qualify for prioritization. The Committee further reminds the Secretary that this authority is intended to accelerate the completion of projects that can have an impact on pressing rural health problems. We encourage the Secretary to establish a process for the expedited review of applications under this section and to further prioritize those applications that utilize or refurbish existing resources and structures, and can be completed simply and quickly.

Finally, it is the Committee's express purpose in enacting this section that the Secretary use this authority to immediately address the opioid crisis, in addition to any other similar future health challenge in rural America.

Section 6002 reauthorized and increased the authorization for the Distance Learning and Telemedicine program. The Committee believes that this program provides a critical link between rural patients and the health care services they need, but are often too far away to access.

Section 6003 reauthorizes the Farm and Ranch Stress Assistance Network with some modest modifications, to provide mental health services to those farmers and ranchers in need of assistance.

Section 6004 authorizes a new program to allow the Secretary to make loans to qualified Agricultural Associations to finance the establishment of new association health plans to serve agricultural businesses, their employees, and their families.

The Committee recognizes that the process for reconsidering the rules surrounding association health plans is ongoing and does not intend this language to disrupt or alter that process. It is the Committee's intent that these Agricultural Association Health Plans conform with the Executive Order to the Department of Labor to establish guidance for expanding AHPs under ERISA. In addition, the Committee urges the Department to look to this guidance in selecting and overseeing grants and loans made to State associations that organize to provide a health plan to farmers and the agriculture family.

The reported bill further empowers the Secretary to provide additional requirements on eligibility to be a qualified agricultural association. The Committee is supportive of restrictions that would generally limit the definition of "Qualified Agricultural Association" to one in which the members have an established, pre-existing relationship and a history of organized cooperation through membership in an existing State-based trade association or industry association, which has been in existence for at least three years prior to the establishment of the agricultural association health plan, prior to the offering of a health plan.

It is the Committee's belief that the Secretary should consider ways to promote long-term sustainability of Associations when making loans and grants under this section.

Subtitle B—Connecting Rural Americans to High Speed Broadband

Rural Broadband concerns were a high priority for members and stakeholders during the two rural infrastructure hearings the Committee held last year. The Committee focused on increasing deployment of broadband networks by solving two main problems: network obsolescence and the high cost of building in rural areas. The Committee-reported bill tackles both of these issues, in addition to other minor reforms aimed at improving program delivery.

Building future-proof networks

A consistent challenge in providing rural broadband is continuing improvement in the technology. Unlike telephone and electric service, the nature and quality of broadband service evolves on a yearly basis.

In his March 2017 testimony, Mr. Cook touched on the challenge of deploying technology that provides broadband-quality service over the long-term:

“ . . . one of the things that was included in my testimony was this term future-proof, and . . . really what

we are talking about there is not only providing the best available service for the consumer today, but also providing long-term solutions. So . . . when you look at the growth of broadband, and now . . . nationally you are looking at a medium broadband speed of about 41 meg that is generally available across the Nation. When you look at the potential growth of that year over year of about 28 percent, it is not long before you realize that we are going to be at gig-level services that customers are going to be demanding.”

Ms. Jennifer L. Otwell, Vice President and General Manager, Totalcom Communications, De Leon, Texas, testified before the full committee on July 19, 2017, and pointed out the challenge of obsolescence when building broadband networks:

“If you are going to go through putting in a piece of fiber into the ground, you want it to be what will last for 20, 30 years. Some of those older networks, there is really not a midrange network. The older networks, they are already almost obsolete for what we are going to need them for in just a few years.”

The Committee recognizes that this rapid obsolescence of broadband technologies presents a unique challenge for communities with networks financed by the broadband program. As faithful stewards of taxpayer dollars, the Department is careful not to make loans to finance a network that would overbuild a network that it has already financed, regardless of the quality of the existing network. This helps to protect the taxpayer by ensuring the borrower has the subscriber base to pay back its loans.

Yet, for communities served by obsolete networks financed with 20 or 25 year loans, this policy can trap them for decades in a twilight zone of connectivity: a substandard network protected from overbuilding. To remedy this, the Committee-reported bill adopts new requirements for the broadband program, to better align the length of a loan with the expected ability of the network to provide broadband quality service over time.

Section 6101 requires the Secretary to promulgate a minimum broadband speed standard and to promulgate estimates of what those minimum broadband speeds will be 5, 10, 15, 20, and 30 years in the future. The section further prohibits the Secretary from making a loan to any project that would be unable to meet the estimated minimum broadband standards for the entire duration of the loan. The intent of this requirement is to align the service provided by a USDA-financed broadband network with the time that the service area is protected by USDA’s overbuilding rules.

The Committee expects that the longest loans offered under this new policy will be for those technologies that can be expected to provide broadband-quality service deep into the future, such as fiber optic networks. However, the section is technology neutral and will continue to provide loans to any broadband technology that is capable of meeting the expected service requirements during the term of the loan. For those technologies with lower maximum throughput speeds, the Committee anticipates shorter loan lengths.

It is the Committee’s goal that, wherever possible, the Department invest in the networks with the longest potential service life

and greatest potential to be upgraded in the future. The Committee is committed to a build-it-right-the-first-time posture for new broadband projects.

During mark up, the Committee also considered and adopted an amendment that would further help those communities struggling with obsolete networks. For those networks financed with one-time grant funds, the Committee has adopted new language requiring those providers to upgrade their networks to modern standards. Without additional investments, on October 1, 2020, the areas served by these networks would be available for other potential providers to make applications to USDA to serve them under the new rules.

The Committee also considered and adopted an amendment during mark-up that would codify the current minimum standard of service for broadband networks at 25 Mbps download and 3 Mbps upload. The Committee believes that this standard is appropriate for today to define the minimum internet service as broadband-quality; however, it reminds the department that technological obsolescence is rapid and cautions the Secretary not to force rural residents to settle for service no better than that in the new networks it is financing.

Improving financial assistance for broadband service

The Committee also recognizes that the low-hanging fruit has likely already been financed and that further rural deployment of broadband is likely to face significant constraints on a network's subscribers being able to afford the loan repayments necessary to build out a system. To that end, the Committee has authorized the Secretary to provide additional assistance to applicants to reduce the cost of building networks in rural areas.

The Committee-reported legislation established a new grant program, which works in conjunction with the existing lending authorities under the Rural Electrification Act already used by the Secretary to finance broadband networks. Under Titles I, II, and VI the Secretary already makes loans to entities and would continue to make loans under those authorities.

Section 6102 allows projects eligible for a loan under one of those existing authorities the ability to qualify for a grant if the project meets certain additional requirements to provide service in rural areas. The Committee recognizes that the density, or lack thereof, in rural areas represents the most significant economic hurdle to deploying broadband internet networks. The limited subscriber base and high fixed costs of deploying infrastructure can present an insurmountable obstacle to providers in creating a "business case" for broadband investment in rural America. To this end, the Committee-reported bill scales up grant incentives for eligible borrowers who build networks in less-dense areas.

Section 6102 also authorizes the Secretary to provide grants to certain applicants in the form of payment assistance for certain applicants. This authority is a novel form of assistance intended to better protect the interests of taxpayers and build in accountability for borrowers. In developing the Farm Bill, the Committee is seeking to address the difficulties the Department faces in holding grant recipients accountable to their ongoing obligations. Like loan recipients, grant recipients enter into a long-term agreement with

the government to provide service over time in exchange for the grant. They are also enjoined from disposing of their assets for a period of time without returning the grant funds to the government.

However, such agreements can prove difficult to enforce when a grantee fails to perform. The Committee believes that by structuring the assistance provided to an applicant as a loan and then allowing the Secretary to provide significant additional flexibility in setting the terms of loan, the Department and the borrower's ongoing relationship can be better represented and borrowers can be held accountable for their obligations to the government over the long-term, while still receiving significant additional assistance to build in very rural areas.

Additional provisions

The Committee reported legislation also makes numerous other changes to the broadband program to improve borrower access and accountability, simplify administration, and protect taxpayers.

Section 6114 was considered and adopted through amendment to the bill and it would permit the broadband program to make loans to finance middle mile infrastructure projects. The Committee recognizes the importance of these projects in providing connectivity to rural communities to the high-speed internet backbone that makes advanced retail deployments possible. Fiber to the Home, 5G wireless, and other advanced broadband services require high-speed, high-bandwidth connections to existing Internet backbone connections.

Section 6013 requires the Department to establish a separate guaranteed lending program for broadband. The Committee has seen the success of guaranteed lending in many other programs at the Department and believes that rural broadband communities could benefit from the same opportunity to access private credit to finance new networks.

Section 6104 authorizes the Secretary to allow applicants under other RD programs to utilize a portion of their awards to deploy broadband services. Recipients of funds under the Consolidated Farm and Rural Development Act (CON Act) may utilize their award to deploy both retail broadband and other types of broadband infrastructure, including middle mile connections, conduit, and other infrastructure and facilities necessary to provide rural broadband connectivity. Recipients of assistance under Title I of the Rural Electrification Act borrowers, may utilize up to 10% of their award to provide retail service.

The Committee has chosen to limit this authorization largely to areas that currently do not have broadband provided at the current minimum broadband speeds, with two important exceptions. Recipients of funding under CON Act programs may utilize up to 10% of their award to install non-retail broadband infrastructure, and recipients of funding under Title I of the Rural Electrification Act may provide service in areas under the existing Section 601(d) rules.

The Committee looks forward to seeing the innovative ways communities will utilize this new flexibility.

Section 6105 replaces the unfunded Rural Gigabit Program with the Innovative Broadband Advancement Program. The Innovative

Broadband Advancement Program is designed to demonstrate innovative broadband technologies and methods of deployment that will significantly reduce the cost of deploying broadband in rural areas and be replicated by others in other rural areas. The program is significantly more flexible than the program it replaces, and the Committee believes that it will provide innovative companies and communities the opportunity to lead the way in developing technologies that will be of benefit to all of rural America.

Section 6106 expands the Department's broadband reporting requirements to cover the new grant program established in this bill, as well all as of the other loan and grant programs which provide broadband service, including Community Connect, the Distance Learning and Telemedicine Program, and the new Omnibus Loan/Grant Broadband Program.

Section 6107 provides certainty to broadband borrowers by enabling them to be notified of their loan application acceptance, before they undertake costly historic or environmental reviews. No applicant would be able to draw on USDA funds until every required review has been completed, but by resequencing the process, borrowers will be better positioned to undertake reviews, knowing that there will be funds available to them when they have been satisfactorily completed.

Sections 6108–6112 make changes designed to improve the administration of the broadband program and simplify applicant compliance. Notably, the Committee-reported bill improves the Secretary's ability to refinance debt held by applicants to better protect the government by securing a first-lien on a borrower's assets.

Overbuilding and regulatory coordination

The Committee is mindful of the concerns that many stakeholders who are deploying broadband in and near rural areas have about the Department subsidizing networks that overbuild existing networks, both those that are financed through the FCC's high-cost program and those that were financed entirely with private capital.

The Committee notes the significant work that was undertaken during the previous Farm Bill to strengthen reporting and disclosure requirements and has worked to build on that progress with the changes made in this Farm Bill. The Committee intends for the Department to continue to enforce its existing requirements to limit overbuilding of existing RUS borrowers and areas that already have broadband-quality service. The Committee believes that no one is well served when government programs duplicate services or replicate private sector investments.

The Committee also notes the work by the Department and the FCC to better harmonize existing USDA lending programs and the FCC's high cost program. However, we believe that much more can be done to strengthen the coordination between these two programs. The Committee recognizes that there are different minimum broadband speeds for USDA's broadband programs and the FCC's broadband program, which could lead to USDA financing networks that compete with networks subsidized by the FCC. Where there is coordination to be had between USDA and the FCC on broadband programs, it should begin with raising standards to promote broadband networks that will provide long-term, quality broadband service for rural residents and communities.

The Committee reminds the Department, the FCC, stakeholders, and the public that the overarching goal of the Committee is for rural residents to have affordable access to broadband internet services that is comparable to the service offered to urban and suburban Americans. Rural Americans cannot and should not be left out of the modern economy because of bureaucratic infighting and unrelated political considerations.

Other matters

As the USDA develops financing, policy and other aspects related to rural broadband development, the Committee requests USDA take into account Sec. 2110 of the FAA Extension, Safety, and Security Act of 2016. This will ensure communication towers providing broadband services in rural areas that meet the specifications described in Section 2110 are properly marked and entered into a FAA database to protect the safety of aerial applicators, aerial firefighters, public health applicators, medevac units, law enforcement and other low-flying aircraft.

Finally, the Committee recognizes the intense change that the broadband program has been under through the past decade and directs the Secretary to develop rules with all due haste, but to continue to implement the program as those rules are being developed.

Subtitle C—Consolidated Farm and Rural Development Act

The Committee-reported bill reauthorizes the important infrastructure and economic development programs in the CON Act, including the water and waste loan and grant programs, the community facilities programs, and rural business programs.

In addition, it makes several important changes to encourage regional cooperation and to expand access to credit for mid-sized regional communities.

Regional economic development

Section 6201 of the bill reauthorizes and simplifies the Strategic Economic and Community Development Program. The Committee has heard from the Department, as well as economic development stakeholders about the importance of incentivizing regional-focused economic development initiatives.

The Committee-reported bill provides the Secretary with significant latitude in determining the eligible programs and appropriate set-asides to ensure there are sufficient resources to meet the demands of eligible applicants.

Expanding access to credit for rural communities

Section 6202 of the Committee-reported bill expands opportunities for rural communities to obtain credit through the guaranteed lending programs of the community facilities, water and waste, and broadband programs. The section expands availability of credit to all rural areas for higher education and critical services, investing in rural community colleges, hospitals, fire stations and other regional-serving institutions.

While the Committee continues to reserve direct lending and grant opportunities under these programs for smaller communities, it provides the opportunity for any community that meets the stat-

utory definition of “rural” to access the guaranteed lending under those programs. These communities, while larger than the currently-eligible communities under these programs, nonetheless face similar challenges in accessing the necessary loans to finance infrastructure deployment.

Section 6203 requires the Secretary to collect fees for guaranteed lending sufficient to offset the cost of providing the subsidy. The Committee realizes that expanding access to guaranteed lending programs requires a commensurate increase in the availability of resources to support the lending program. By making the programs self-supporting, additional loan guarantees can be provided to meet the needs of the larger borrowing class.

The Committee recognizes that it may take several years for the programs to become self-supporting, so it continues to provide the appropriators the authorization to appropriate funds to support lending under these programs. The Committee encourages the Appropriations Committee to work with the Department and the Lending Community to establish a program level and a fee structure that supports our rural communities.

As guaranteed lending grows, it will also become necessary for USDA to streamline and standardize its approval process for these programs. The Secretary is encouraged to take steps to ensure that lenders receive timely responses and similar treatment of their applications, no matter where in rural America the project is located. The Committee believes that centralization or regionalization of application processing, as well as increased use of technology, can provide applications with faster, more consistent review that will safeguard taxpayer dollars while still expanding access to credit for rural institutions.

Community water systems

Section 6205 of the Committee-reported bill makes two important changes to the Rural Water and Wastewater Technical Assistance and Training Programs.

First, the Section provides the opportunity for entities to offer business-planning assistance to small water systems. In addition to the traditional technical assistance provided to systems for immediate, day-to-day operations, the section also authorizes the Secretary to make grants to entities, often the same entities providing the technical assistance, to offer long-term sustainability planning, including assistance on consolidation, partnerships, or service contracts.

Second, the section increases the authorization to ensure that sufficient resources are available to the Secretary to provide for adequate assistance.

Prison populations

Section 6218 of the Committee-reported bill provides the Secretary the authority to more accurately count the residents of a rural community. The section, as amended, provides latitude when considering an application from a community that hosts a jail or prison facility which is above a population threshold. It would permit the Secretary to consider certain individuals, who are incarcerated on a long-term or on a regional basis, from being not part of an applicant’s community.

When an individual is incarcerated for long periods of time, they are unlikely to be able to utilize or support a project financed through rural development. While they will someday return to a community, for the period of their incarceration they cannot support a project and should not be included for the purposes of determining a community's size.

Likewise, there are some communities that host regional jail facilities, which temporarily hold individuals from outside the host communities on a short-term basis. These individuals, who are temporarily held, should be counted not in the community that hosts the jail, but in the community in which they live.

The Committee recognizes the challenges posed by trying to accurately assess rural populations. It directs the Secretary to provide rural communities which host correctional facilities the opportunity to provide supplemental population data solely for the purposes of qualifying for rural development programs.

It is not the Committee's intent to marginalize, disenfranchise, ignore, or otherwise neglect any individual, no matter where he or she lives or if he or she is incarcerated. The Committee's sole concern is establishing the total number of individuals who will utilize and support a particular project or service so that the Department can appropriately judge the needs of a community and its eligibility for assistance.

Other matters

The Committee encourages the Secretary to allow for national applications under the Community Facility Technical Assistance and Training Program without restrictions or award caps for funding under this paragraph from qualified national non-profit organizations for the sole purpose of providing on-site training and technical assistance on a national or multi-state regional basis.

The current regulatory cap on funding awards is not prescribed in the authorizing statute of the program, nor are such caps prescribed for the program on which the Committee modeled the CF Technical Assistance program, the Water and Waste Disposal Technical Assistance and Training Program (306(a)(14) of the CON Act.

The Committee intends that applications not be limited to \$150,000 for national and multi-state non-profit applications, but rather be considered for an amount of no less than \$500,000 to provide community facilities technical assistance and training on a national or multi-state basis.

The Committee is supportive of our cooperative entities in providing value and expertise to the agricultural community. The Committee notes that the Department of Commerce has begun including a question about cooperatives in the bi-decadal Economic Census performed by the U.S. Census Bureau. The Committee reminds the Secretary of the value of this data and encourages him to utilize it in the cooperative research program authorized in Section 310B(e)(10) of the CON Act.

Finally, the Committee notes with some concern the proliferation of economic development commissions, programs, authorities, and collaborations both in the CON Act and elsewhere in statute. It remains unclear what programs and authorities are currently utilized by the Department to improve economic development activities and what programs and authorities are no longer necessary,

duplicative, or ill-suited to current use. To remedy this, the Committee requests the Department prepare a comprehensive report on USDA's Economic Development Authorities which:

1. Catalogues and describes USDA's statutory programs and authorities devoted to economic development, both current and lapsed;
2. Identifies each economic development office, agency, sub-agency, panel, committee, or other organizations created in statute or by regulation, and the decision-makers associated with each;
3. Enumerates all authorizations and appropriations, as well as number of staff which support each authority, program, and organization, from both federal and non-federal sources;
4. Provides a comprehensive description of how each program is utilized by the Department, any deficiencies, and overlap with other programs; and
5. Makes suggestions for reforming USDA's rural development authorities, including streamlining or sun-setting any unnecessary or duplicative programs and authorities; consolidating overlapping authorities; or establishing new authorities where there is a need.

Subtitle D—Rural Electrification Act

The Committee recognizes the important work that borrowers under the Rural Electrification Act perform in rural America. Rural telephone companies and cooperatives, electric cooperatives, and broadband providers work to connect all Americans to seamless telecommunications and energy networks.

In addition to the changes provided in Subtitle B, the Committee-reported bill makes several additional small changes to the REA to simplify compliance and promote continuity of services.

Section 6304 places the Rural Economic Development Loan and Grant (REDLG) Program on firmer financial footing. While the language in the bill significantly redrafts the underlying statute, the Committee's intent is that this statutory simplification does not alter the existing administration of the program. However, the reforms do intend to codify the two existing sources of funding for the program, as well as provide the appropriators with the authorization to appropriate additional funds to the program, if it should require.

Subtitle E—Farm Security and Rural Investment Act of 2002

The Agriculture and Nutrition Act of 2018 reauthorizes the successful energy programs that help diversify our nation's energy supply, promote energy efficiency, and create new economic opportunities in rural America. These programs promote the development of advanced biofuels and renewable energy.

In an effort to provide greater participation, the Rural Energy Savings Program has been amended to ensure that the Secretary does not include any other debt incurred in the calculation of a borrower's debt equity ratio for eligibility purposes as well as streamlining the accounting requirements on the borrowers while ensuring that there will be repayment of the loan. The Committee intends for the Secretary to continue to carry out section 6407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107)

in the same manner as on the day before the date of enactment of this Act, except as amended under subsection (a), until such time as any regulations necessary to carry out the amendments made by this section are fully implemented.

To modernize the Biobased Markets Program, the Committee has reauthorized and amended the program by adding in no limitations on procurement of wood and wood-based products from any other federal agencies.

The Biorefinery, Renewable, Chemical, and Biobased Product Manufacturing Assistance has been amended to tailor the focus of the program to “renewable chemical or biobased product technology”.

The Repowering Assistance Program has been reauthorized, and the program has been authorized to be appropriated \$10,000,000.

The Biorefinery Program for Advanced Biofuels is amended to require the Secretary to place limitations on the amount of feedstock payments one or more producers may receive in a year. The program also has been authorized to be appropriated \$50,000,000.

The Committee bill has reauthorized and authorized to be appropriated \$2,000,000 to the Biodiesel Fuel Education Program.

The Committee Bill has reauthorized the Rural Energy for America Program, Feedstock Flexibility, and the Biomass Crop Assistance Program with a specific authorization of \$25,000,000.

Subtitle F—Miscellaneous

The Miscellaneous subtitle reauthorizes a number of existing USDA programs including the Value Added Producer Grants and regional economic and infrastructure development commissions.

Subtitle G—Program repeals

The Committee-reported bill repeals eleven obsolete programs.

Subtitle H—Technical corrections

The Committee-reported bill carries statutory corrections identified by the Office of Law Revision Counsel, staff, and others.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

The research title authorizes several intramural and extramural programs, providing resources and direction for foundational and basic agricultural research, extension, and education. This investment is the foundation for the success and viability of our nation’s agricultural industry as it strives to enhance productivity, improve consumers’ standard of living, and increase competitiveness of U.S. products in world markets.

National Agricultural Research, Extension, Education, and Economics Advisory Board

The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB) was created in 1996 to replace an existing stakeholder advisory board and consolidated the functions of numerous other boards, task forces, and counsels. This advisory board has since served as the principal advisory mechanism to the Secretary, Under Secretary, agency administrators, and the Congress on all aspects of the Research, Education, and Economics (REE) mission area.

In creating the NAREEEAB, Congress intended for this board to recommend policies, identify short- and long-term national priorities for REE programs, and to evaluate program results and effectiveness, among other assigned duties. Congress has since added multiple duties and consultative functions to the Board's mandate. In doing so, the Committee is aware that the workload and learning curve of the volunteer members is high. The Agriculture and Nutrition Act of 2018 streamlines Board membership in order to allow flexibility for the Secretary in making appointments.

Previously, the Committee has encouraged the Secretary to consult with the NAREEEAB, in both the intramural research carried out by the Agricultural Research Service and in the competitive grants programs carried out through AFRI and other authorities, in carrying out and funding research. The Committee encourages USDA to utilize the expertise and input of the NAREEEAB to refocus and target limited agricultural research dollars on issues directly impacting production agriculture. The NAREEEAB should be asked to provide input in every step of the priority-setting process, and the Secretary is strongly encouraged to rely on this input in making final decisions.

Renewable Energy Committee discontinued

The Agriculture and Nutrition Act of 2018 repeals the Renewable Energy Committee of the NAREEEAB. The Committee understands that this subcommittee was duplicative of the subcommittee established under the Biomass Research and Development Initiative (BRDI). The Committee encourages the Department to continue to utilize the BRDI subcommittee to fulfill the important role of studying the scope and effectiveness of research, extension, and economics programs affecting the renewable energy industry.

Centers for food security

The Committee encourages USDA to establish centers that focus on food security and the impact of food and agricultural policies on nutrition, trade, environment, and rural communities, both national and globally, at land-grant institutions.

The National Drought Mitigation Center

Drought can have a devastating impact on the food supply, food prices, farmer income, and the economic health of rural communities. Furthermore, drought impacts water supply and quality, energy production, fire threats, landscape changes, and tourism and recreation. At any one point in time, drought is likely to affect between a fourth and a third of the nation. Monitoring, preparedness, response, and resilience are proven means of managing the detrimental impacts of drought.

For many years, the weekly U.S. Drought Monitor has been the primary source of information on the extent and severity of drought throughout the U.S. In 2016–2017, the U.S. Drought Monitor, produced at the National Drought Mitigation Center was viewed over 15 million times on the NDMC website alone, and distributed even more widely through secondary sources. It is the most widely used gauge of drought conditions in the country. More recently, other important tools, such as the Drought Impact Reporter, drought mitigation plans and resilience guidelines or tools have been in-

creasingly utilized. Furthermore, the U.S. Drought Monitor serves as a trigger for Federal disaster relief funds. The Committee expects that the U.S. Drought Monitor will continue to be the primary source of information on drought conditions in the U.S., and that additional tools for managing and mitigating drought will continue to be strengthened, made broadly available and applied at the local level.

Extension carryover at 1890 institutions

The Committee notes the deletion of the statutory maximum 20% carryover requirement. The Committee intends that USDA provide extension funding in a similar manner to both 1890s and 1862s.

Scholarships for students at 1890 institutions

The Agriculture and Nutrition Act of 2018 authorizes scholarships at the 1890 land-grant institutions for students interested in food and agricultural sciences. The Committee acknowledges that there is currently an unmet demand for highly-skilled jobs within the agricultural industry. The 1890s have recognized the opportunity that such a gap presents for graduates with degrees in agricultural studies, and they are focusing efforts on generating greater interest in the agricultural programs within these institutions.

Land-grant designation

The Committee has strongly supported the continuing mission of our nations' land-grant university system to address local, State, and national priorities concerning food and agricultural sciences. Formula funds provided by USDA support capacity and infrastructure for research, education, and extension programs related to food and agricultural sciences.

The Committee is aware of recent efforts to designate a new 1862 land-grant institution to allocate Federal funds based on urban population. Funds allocated to States for agricultural research programs under the Hatch Act and agricultural extension programs pursuant to the Smith-Lever Act are based on individual formulas that take into account rural population and farm numbers. Urban population and State land area are not considered. The efficiencies gained through central administration of research, extension, and education programming within the States reduces costs while maximizing resources devoted to local, State, and national priorities. The Committee recognizes the budgetary limitations facing our nation requiring the land-grant system of colleges and universities, and all other public-sector entities, to do more with less.

Efforts to divide existing land-grant universities under the guise of local control of extension programming would establish separate, distinct administrative units with the effect of duplicating administrative costs and burdens, while significantly disrupting the ability to provide programming on high-priority local, State, and national issues.

The Committee addresses this concern by prohibiting USDA from providing capacity funding to institutions not previously designated as land-grant universities, thereby preserving the capability of the system to address our nation's priorities within the budgetary constraints that currently exist.

Genomes to phenomes

The Committee acknowledges the enormous challenge of efficiently and sustainably producing a safe, dependable food supply for a growing population. Meeting this challenge requires the development and management of crop varieties that will perform well despite increased weather variability. By improving the ability to predict crop performance in diverse environments, the genomes to phenomes initiative will enhance capability to develop new varieties, and to manage the effects of weather variability on crop productivity. The Committee therefore supports a large-scale, interdisciplinary network of researchers dedicated to producing and analyzing very large datasets of phenotypes to better predict crop yields.

While this genomes to phenomes initiative is focused on crops, it is the Committee's intent that this section not detract from existing projects, nor deter future research funding in animal genomics. The Committee recognizes the importance of animal genomics research conducted and supported by the Department. The Committee strongly supports increased efforts in genomics research on agriculturally important animals to address critical goals including: (1) understanding how environment and production systems impact the growth and productivity of livestock, poultry, and aquaculture to help predict and improve performance under variable conditions; (2) leveraging livestock, poultry, and aquaculture genomic information with phenotypic and environmental data to assist in selection of superior genetics and improved management; (3) understanding gene function in production environments to improve livestock, poultry, and aquaculture performance; and (4) developing improved data analytics to enhance understanding of the biological function of genome sequences in livestock, poultry, and aquaculture. The Committee commends the university community, the private-sector, and the Department for their work to advance animal genomics research and encourages additional focus on these efforts in the future.

High-priority research and extension initiatives

The Committee encourages USDA to more effectively coordinate intramural and extramural research activities that address the cattle fever tick. The fever tick has been a threat to American agriculture for generations causing enormous economic losses to the U.S. cattle industry in the late 1800s and early 1900s. These ticks are capable of carrying the protozoa, or microscopic parasites, *Babesia bovis* or *B. bigemina*, commonly known as cattle fever. The *Babesia* organism attacks and destroys red blood cells, causing acute anemia, high fever, and enlargement of the spleen and liver, ultimately resulting in death for up to 90 percent of susceptible cattle. Over 2,700 premises and 9 million acres in south Texas are currently under quarantine from cattle fever ticks, including many premises far north of the historic permanent quarantine zone along the Mexico border. If not controlled, they could spread to historic locations across the southern U.S. currently home to more than 400,000 cattle operations.

The Committee recognizes that it is in the economic interest of agricultural producers and American consumers to ensure a healthy, sustainable population of native and managed pollinators,

including managed honey bees. Pollinators are essential to the production of an estimated one third of the human diet and to the reproduction of at least 80 percent of flowering plants. Insect-pollinated agricultural commodities result in significant income for agricultural producers and account for about \$20 billion in U.S. agricultural output yearly. Because of the importance of pollinators in the production of the nation's food supply and their impact on the stability of our agricultural economy, and because the knowledge gap is too wide given the continuing seriousness of the problem, the Committee directs additional honeybee research to be coordinated USDA-wide, utilizing multi-year funding from SCRI, AFRI, and other existing funding sources to institute longitudinal field studies along major migratory bee routes, and to ensure adequate input from the beekeeper, specialty crop grower, and scientific community.

The Secretary should, through competitive awards, make funding available for research on the impact of *Juniperus virginiana* (eastern red cedar) on ranchlands and grasslands. Funding could be used for enhanced understanding of growth, development, and spread of the species; impact of eastern red cedar intrusion, including on beef production, water availability and fire danger; means of large-scale management and control of the species; and development of policies and practices for use by ranchers, State and local governments, and other relevant decision makers. Priority should be given to translational research on how to manage resilience and prevent losses of rangeland productivity, and technological and infrastructural solutions that address problems on a regional scale.

The Committee recognizes that Chronic Wasting Disease (CWD) is a serious issue impacting both wild and farmed cervid populations. The Secretary should, through competitive awards, make funding available for research as part of the Department's CWD management strategy.

Organic agriculture research and extension initiative

The Committee recognizes that consumer demand for organically produced goods continues to show double-digit growth, providing market incentives for U.S. farmers across a broad range of products. According to USDA, organic products are now available in nearly 20,000 natural food stores and nearly 3 out of 4 conventional grocery stores. Organic sales account for over 4 percent of total U.S. food sales. U.S. farms and ranches sold \$7.6 billion in certified organic commodities in 2016, up 23 percent from \$6.2 billion the year before. However, increases in domestic production have not been enough to keep up with increases in demand. To ensure adequate domestic supply, organic agriculture research must provide tools and resources American farmers and ranchers can use to take advantage of higher premiums and a robust organic market.

Farm business management

Farm business management activities as provided under section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 are defined as participation in farm business management associations and education programs that provide the participating farmers and ranchers a year-end whole farm and enterprise finan-

cial analysis. To be eligible for cost-share assistance under this program, participating farms or ranches must contribute their year-end financial data to the national farm financial database that has been awarded and designated by NIFA under section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990. To ensure data confidentiality and security, all identifying characteristics other than county and State must be removed from individual farm or ranch data before being transmitted to the national farm financial database.

Specialty crop research initiative

The Committee is aware that the National Academies of Sciences, Engineering, and Medicine; Division on Earth and Life Studies; Board on Agriculture and Natural Resources recently completed a review of citrus greening research and development efforts. The report recommended continued support for both basic and applied research and both short- and long-term research efforts, but it noted a lack of standardized methods and parameters as well as a lack of strategic coordination. The Committee directs USDA to create opportunities for communication, collaboration, and innovation among researchers, representatives of other funding agencies, and the citrus industry to address the concerns highlighted in the Academies' report.

The Committee recognizes and supports efforts to increase domestic fruit and vegetable production from all growing methods. To further the goal of increased domestic production, the Committee encourages the Secretary to ensure that there is sufficient research to support the growth of this sector including: indoor growing, harvesting and packaging technologies, impacts of shipping and transportation on nutritional value, and energy efficiency among different growing methods.

Sun Grant Program

The Committee-reported bill directs the Secretary to utilize and leverage the investment, resources and capacities of the current regional Sun Grant Program Centers and Sub-center to continue their leadership and management of the regional Sun Grant competitive grants program.

Research Facilities Act

The Committee expects the Secretary to require in the application process a facilities management plan including long-term maintenance of the facility based on industry standards. The Committee expects the Secretary to give higher priority to those projects that have significant private support and multi-State contributions. In determining multi-State support, the Secretary should consider letters of support and/or funding from other State institutions and multi-State organizations and corporations. The Secretary should consider equally renovations and new construction without bias. Proposals should provide justification for renovation over new construction, or new construction over renovation, specific to the project. The Committee expects the Secretary to rank projects on criterion such as scientific merit, national and regional need, and other objective criteria; but not the size or cost of the project.

Competitive, Special, and Facilities Research Grant Act

AFRI is the premier competitive research and extension grants program within USDA. The AFRI program was established in 2008 as a successor program to the National Research Initiative Competitive Grants Program and the Initiative for Future Agriculture and Food Systems. The statutory priorities for AFRI are purposefully broad. In developing these priorities, Congress was aware that as science evolves, a balance needed to be achieved between the need for flexibility to respond to new and emerging threats and opportunities, and the need for transparency and accountability in the expenditure of taxpayer funds. The Committee urges the Secretary to work with stakeholders and the NAREEEAB to ensure that the allocation of research and extension awards under the AFRI program is consistent with our national priorities, as amended in the Agriculture and Nutrition Act of 2018.

Additionally, the Committee notes that labor availability is the most critical challenge facing the specialty crop sector both in the short- and long-term. Committee hearings in Washington, and listening sessions around the country, have documented the need for additional mechanization research. The Committee therefore encourages the research agencies within USDA to more vigorously fund this vital research priority through their respective programs.

The Committee strongly urges USDA to use its authority under AFRI to award grants to institutions to support the design of one or more extension prototypes that propose leveraging digital platforms or other novel means of translating, delivering, or demonstrating agricultural research, to adapt, apply, translate, and/or demonstrate scientific findings, data, technology, and other research outcomes to farmers, industry, and other interested persons or organizations. These prototypes shall incorporate analytics and metrics to assess value and impact.

Beginning Farmer and Rancher Development Program

The Committee addresses stakeholder concerns by enhancing the Beginning Farmer and Rancher Development Program to allow the Department greater flexibility in administering the program to a more diverse pool of applicants. In addition, it allows flexibility in addressing more of the complex challenges that beginning farmers and ranchers face.

Biomass Research and Development Initiative

The purpose of the Biomass Research and Development Initiative (BRDI) is to promote research and development regarding the production of biofuels and biobased products. The Committee encourages the Department to prioritize and focus investment in projects which use pre-commercialization processes and methods to advance product development. The Committee is aware of numerous advanced manufacturing facilities around the country that can play an active part in the development phase of biofuels and biobased products, and urges the Secretary to encourage their involvement in BRDI projects.

Agency coordination

The Committee is concerned that the Department is not adequately coordinating implementation of research priorities between

intramural and extramural research programs. While efforts to coordinate research across the agency have been well articulated in strategic documents, execution has been lacking. The Committee urges the Department to conduct stakeholder outreach, and to better coordinate with the NAREEEAB and the scientific community to ensure Federal research dollars are allocated in a strategic, effective way. In addition, the Committee directs USDA to utilize the priorities set out under AFRI to coordinate these efforts.

USDA, HHS, and multiple Federal agencies conduct important research on agriculture and food production, disease prevention, nutrition, and health. The Committee recognizes the value of inter-agency coordination in addressing how these issues impact public health. The Committee encourages USDA, HHS, and other relevant Federal agencies to maintain a Memorandum of Understanding to coordinate and share research findings on the future of nutrition research connecting agriculture production, food consumption, nutrition, and disease prevention.

University of the District of Columbia

In the 2008 Farm Bill, the matching funds requirement for Smith-Lever funding was eliminated for the University of the District of Columbia, thereby making UDC the only 1862 institution without a matching requirement. It is the Committee's intent to reinstate the matching funds requirement for UDC in order to affirm its status as an 1862 land-grant university, and to incentivize its important cooperative extension activities including improving food security in low-income communities, building viable agriculture businesses through hydroponics, aquaponics and vertical systems, creating agriculture jobs in high unemployment communities, and training the next generation of farmers.

Farmland Tenure, Transition, and Entry Data Initiative

The Agriculture and Nutrition Act of 2018 includes a new Farmland Tenure, Transition, and Entry Data Initiative to ensure that the Committee and the public have access to important trend data on farmland ownership, tenure, transition, barriers to entry, profitability, and viability of beginning farmers. In carrying out this program, the Committee directs the Secretary to ensure that all personally identifiable information is protected. No data should be made publicly available if it can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked, or linkable, to a specific individual.

Authority to transfer land at Beltsville Agricultural Research Center

The Committee is aware of the need to provide the Agricultural Research Service (ARS) with authority to transfer approximately 100 acres of land at the Henry A. Wallace Beltsville Agricultural Research Center in Beltsville, Maryland to the Bureau of Engraving and Printing (BEP). The Committee understands that the transfer will save USDA approximately \$500,000 in operation and maintenance cost per year by reducing ARS' footprint by approximately 98,500 square feet. BEP will incur the cost of demolition of multiple ARS unutilized buildings. Future shared services between

BEP and ARS could provide even more savings and efficiencies to both agencies.

Land-grant reporting requirements

The Committee is concerned with the increasing amount of reporting required by the National Institute of Food and Agriculture that is connected to the land-grant capacity funds, such as the combined plan of work. The perception remains that these reports often go unused, proving them unnecessary. In response to this notion, the land-grant community has created its own source, <https://landgrantimpacts.tamu.edu>, to document and showcase the research and extension impacts provided by the system. The changes made by section 7606 of the Agriculture and Nutrition Act of 2018 are intended to streamline the combined plan of work into a more concise and easier to prepare document. The professionals across the land-grant system should be spending their time and effort addressing the needs of American agriculture through discovery, and not filling out unnecessary paperwork.

In addition, the Committee is concerned that land-grant capacity funds are being treated similarly to competitive grants, in which an applicant proposes the use of such funds and is required to document compensation charges and personnel time and effort. Under current law, land-grant capacity funds are awarded based on a formula. The Department's role is to ensure that any required matching funds are provided and to disperse the funds as directed by law. In implementing section 7607 of the Agriculture and Nutrition Act of 2018, the Department should issue updated guidance to affected institutions outlining the exemption.

Extension research

The Cooperative Extension System is a nationwide, non-formal educational network. Each State, territory, and the District of Columbia has an office at its land-grant universities, and a network of local or regional offices which are staffed by experts who provide practical, research-based education to agricultural producers, small business owners, youth, consumers, and others in rural and urban communities. The Committee encourages the Secretary to ensure that Cooperative Extension is effectively utilized to deliver the educational component of USDA programs. The Secretary is also encouraged to engage in discussions with other Federal departments and agencies to consider ways to use Cooperative Extension to deliver education for other Federal programs, as practicable.

In addition, the Committee recognizes the unique knowledge and information that the Cooperative Extension System experts provide to various groups regarding farm and food systems. As mentioned, this education and information is disseminated through a network of local or regional offices, and when the Secretary utilizes the Cooperative Extension to deliver the educational component of the various programs at the Department, to the extent practicable, the Rural Development mission area programs should be included.

Also, the Committee remains concerned about the agency's operation of the Federally Recognized Tribes Extension Program as if it were a 3(d) program. The Reservation Extension Agent Program was not authorized under Section 3(d) of the Smith-Lever Act. While this may have made administration of grants easier for the

agency, it has led to confusion and unintended consequences. The Committee encourages the agency to follow Congressional intent when implementing programs, old and new.

Challenge of change

In order to meet the needs of the world's forecasted population of over 9 billion in 2050, global food production must be 60 percent higher than in 2014. While several Federal agencies and departments are involved in addressing food and nutrition security and the challenges of today and the future, the Committee is concerned that the integrated multi-disciplinary approach required to achieve the necessary levels of domestic and global food production and food and nutrition security does not currently exist. Therefore, the Committee encourages the Secretary to take a leadership role in working with other relevant departments and agencies in establishing a Federal interagency task force to meet the food and nutrition challenges of 2050. The Secretary, to the maximum extent practicable, should align domestic and global programs related to food production and food and nutrition security to meet these challenges.

Healthy Food Initiative

The Committee understands and strongly supports the need for a multidisciplinary approach and collaboration on research and education/outreach efforts across agricultural production, food, nutrition and health care systems to make a positive difference on human health and chronic disease. The Committee notes that recent reports, such as the Healthy Food Systems, Healthy People report of the Association of Public and Land-grant Universities' Board on Agriculture Assembly and Board on Human Sciences, identify multidisciplinary scientific approaches on human nutrition, food systems, and health as making an important contribution to alleviate skyrocketing healthcare costs, enhance economic productivity, and contribute to our nation's long-term national security. The Committee directs the Department to use all existing authority to work across Federal agencies with primary roles in agricultural production, food, nutrition, and health care systems, including the National Institutes of Health, Centers for Disease Control and Prevention, the National Science Foundation, and the White House Office of Science and Technology Policy. The Committee expects the Department to establish priorities and develop a cross-agency research program designed to catalyze multidisciplinary research in order to understand the characteristics, interactions, and challenges of agriculture, food, nutrition, and health care systems and how these systems can be better integrated to improve health outcomes. Further, the Committee intends for the Department to strengthen and expand the ability of Cooperative Extension professionals to help their patients, clients, and the public improve their health, and lessen the burden of chronic disease through the implementation and application of the multidisciplinary state-of-the-science agriculture, food, and nutrition research recommendations.

Invasive species

The Committee expects USDA to accelerate its efforts in the development of invasive species research initiatives, and to retrench

efforts to work with individual States toward solutions to threats from those invasive species of plants and animals that have direct/indirect impacts, including economic impacts, on natural resource water supplies and domestic food sources. In carrying out this mission, the Committee expects the Department to coordinate invasive species research and outreach programs with land-grant institutions, through ARS and APHIS, so as to harness local and regional expertise. The Committee anticipates that the Department will support these initiatives from funds available through annual appropriations.

Methyl bromide alternatives outreach

Farmers throughout the country continue to face significant adverse economic and operational impacts associated with the phase out of methyl bromide, a critical crop protection tool. Therefore, continued education and outreach collaboration, including USDA's Methyl Bromide Alternatives Outreach efforts, are critical to allow researchers, Federal regulators, and impacted growers the ability to share research information and disseminate regulatory information in an effort to minimize the impacts of soil and post-harvest pests to agriculture and maintain critical domestic and international markets.

Auditing, reporting, bookkeeping, and administrative requirements

The Committee is concerned about the increasing use of assessments, fees, and higher indirect cost rates imposed on its university partners by the Agricultural Research Service (ARS). These university partners play a major role in achieving ARS research priorities and objectives. In a time of scarce budgetary resources, ARS must ensure limited research dollars are maximized and administrative costs are reduced to the fullest extent possible. In recent years, ARS has imposed a variety of administrative assessments on its university partners, effectively reducing funds intended for important research projects. The Committee expects ARS to operate within historical administrative cost parameters, namely by imposing a total indirect cost rate not exceeding four percent. All administrative assessments, fees, dues, or charges, of any type, must be included within this overall administrative cost cap. ARS must administer its programs more efficiently to ensure valuable research funds are maximized so it may continue to maintain a robust agricultural research enterprise. The Committee encourages ARS to continue university research partnerships to ensure our nation's premier educational and clinical institutions play a major role in achieving ARS and Congressional research objectives.

Food, energy, water nexus

The Committee expects the Secretary, in each of the three fiscal years following enactment of this legislation, to conduct a solicitation under the Innovations at the Nexus of Food, Energy, and Water Systems (INFEWS) Program. This solicitation should be consistent with previous solicitations released jointly by USDA and NSF and shall be at least at the same level.

*National Food Safety Training, Education, Extension, Outreach,
and Technical Assistance Competitive Grants Program*

The Committee does not intend that removing the three-year limitation on funding under the National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program (known as FSOP) limit the scope or reach of the program, and intends that NIFA ensure that a diversity of projects continue to be funded that represent a range of geographic regions and applicant types. The Committee recommends NIFA continue to ensure that representative community-based organizations are meaningfully integrated into any project that proposes to impact a particular community of producers.

TITLE VIII—FORESTRY

The Committee acknowledges that healthy and productive Federal, State, and private forests are an important part of many rural communities, and their proper management is vital for our environment and preventing catastrophic forest fires. The Committee believes that ensuring our forests are resilient should be a priority at the Department. Accordingly, the Committee-reported bill authorizes the necessary tools for the Department to improve active management on the nation's Federal, State, and private forests.

The Committee-reported bill acknowledges the importance of State and private forests and the work required to manage land, providing valuable habitat, clean air, recreation, and much more. Furthermore, the Committee recognizes the need to address forest health issues on a landscape scale, as private and public forests often intersect. Therefore, the Committee amends the Cooperative Forestry Assistance Act to authorize further cooperation between State Foresters to promote healthy forest management and wildfire mitigation. Cross-boundary management and hazardous fuels reduction projects will allow greater forest fire protection for those who live and work in our nation's forests, no matter the jurisdiction.

The Committee urges the USFS to place priority on those actions in the Forest Inventory and Analysis Strategic Plan, as authorized in the Agricultural Act of 2014, that provide continuity for long-standing historical data sets. As such, the Committee directs the USFS to annually prioritize funding and program implementation to ensure the elements of Strategic Plan "Option B" (full implementation of the 1998 Farm Bill's Strategic Plan) are maintained to include a specific focus on meeting the requirements of 20-percent annual plot re-measurement, annual Timber Products Output Program reporting, and implementing the National Woodland Owner Survey. The Committee also urges the USFS to continue to find efficiencies in program operations through the use of remote sensing technologies where appropriate, as well as partnering with States and other interested stakeholders to deliver the program.

The Committee recognizes the role private forests play in ensuring clean air, water, habitat, and the role that forest products play in the economy. The reported bill takes steps to ensure private landowners have the tools to help them make improvements to their property that benefit the landscape as a whole. The Forest Legacy Program and Community Forest and Open Space Conserva-

tion Program are intended to give USFS the tools to assist private forest owners along the way.

The Committee is concerned about the projected loss of private forestland in the United States, as detailed in the Resources Planning Act Assessment and regional analyses such as the Northern and Southern Forest Futures Reports, and associated loss of societal benefits such as clean air and water, wildlife habitat, jobs and forest products, and more. The Committee directs the Secretary, working through the Forest Resource Coordinating Committee, to develop a National Reforestation Initiative that addresses the threats to private forest retention. Within 24 months from the date of enactment of this Act, the Forest Resource Coordinating Committee should generate a strategic plan for the initiative to include relevant USDA programs that promote “Keeping Forests as Forests” and incentivize reforestation within priority areas identified in the Forest Service Resources Planning Act and Statewide Forest Resource Assessments and Strategies.

The Committee believes that strong rural infrastructure and market opportunities lead to healthy resilient communities and landscapes. The Committee-reported bill reauthorizes many authorities to allow the Secretary to promote new markets for wood products. The Committee encourages the Secretary of Agriculture to continue to support research and development to promote new markets for low-value timber. The new authorities in the Community Wood Energy and Wood Innovation Program should be used to incentivize private investment in infrastructure.

The Committee-reported bill addresses the declining health of America’s forest land managed by the USFS and the Bureau of Land Management (BLM) due to a lack of active management.

The most significant result of this diminished forest health is the significant increase in catastrophic wildfires in the past 15 years. The alarming increase in catastrophic wildfire impacts can be attributed to the decrease in timber production. From the mid-1950s to the mid-1990s, the USFS typically harvested between 10 and 12 billion board-feet annually. Since 1996, that number has declined to a range of 1.5 to 3.3 billion board-feet. During this same period, the average number of acres burned increased to 6.2 million acres.

The reason for the declining amount of timber production is twofold: longer planning periods that result in increased time and money and leave our forests vulnerable to insect and disease damage, and the effect of unnecessary litigation on forest planning decisions.

A 2012 USFS report estimated between 65 million and 82 million acres of forest land are facing some level of threat of wildfire and are in need of restoration; this is more than one-third of the National Forest System. In 2014, the USFS treated 2.9 million acres of land. At this pace, it would take the USFS more than 20 years to treat this endangered land.

During the 115th Congress, the Subcommittee on Conservation and Forestry held a hearing to review the management of the National Forest System. In the 114th Congress, Members heard testimony from former USFS Chief Tom Tidwell, as well as stakeholders representing the forestry, sportsmen, and conservation industries. The witnesses’ testimony highlighted the need for active forest management to address the challenges the USFS is facing.

The Committee-reported bill attempts to address the core issues facing the USFS: lengthy and costly planning processes to complete needed hazardous fuel reduction projects, and the threat of litigation forcing the USFS and BLM to take an overly cautious approach to forest management. The Committee-reported bill addresses these challenges by including categorical exclusions for processes that are routine and have known effects, allowing the agencies to perform forest management activities sooner to save time and taxpayer money; it rewards collaboration, giving all interest groups a seat at the table, and minimizes the threat of litigation of these collaborative projects.

The Committee-reported bill imposes no new requirements or burdens on the USFS or BLM. It expands upon the successes of the 2014 Farm Bill and the Healthy Forests Restoration Act. Further, the bill retains many environmental safeguards to ensure the respective land management agencies use these authorities in a reasonable and environmentally responsible manner.

TITLE IX—HORTICULTURE

Specialty crops—fruits, vegetables, tree nuts, and nursery plants—account for almost half of the domestic crop value in the United States. The Committee believes that the specialty crop industry can be best served through Federal and State efforts that help producers increase their respective competitive positions through marketing, promotion, and research programs. The Agriculture and Nutrition Act of 2018 maintains and builds upon the popular and successful programs established in previous farm bills with this notion in mind.

National Organic Program

The Committee expects the National Organic Program (NOP) to take all steps necessary to ensure effective oversight, robust investigations, and fulsome enforcement of the organic regulations across the entire supply chain. This shall include (but is not limited to) limiting the importing operations excluded from certification under 205.101(b) of the Organic Foods Production Act of 1990; implementing requirements for modernized import documentation; establishing compliance working groups among parties to all organic equivalency arrangements; establishing joint compliance working groups among accredited certifying agents, State organic programs, and NOP; and expediting review of global certifying agents whose accreditation has been revoked by another country.

The Committee notes that the Organic Foods Production Act of 1990 grants accredited certifying agents the authority to require increased documentation before granting certification, especially when there is a specific area of concern. The Committee further notes that recent concerns regarding imported organic products are precisely the types of situations in which accredited certifying agents should exercise this authority.

Section 9006(b) requires the Secretary to establish procedures for expedited review by the National Organic Standards Board of materials considered for inclusion on the national list, if the material is a postharvest handling substance directly related to food safety. The provision is intended to address the speed with which the Board reviews such petitions, and the prioritization of such re-

views, and is not intended to bypass any of the material review requirements established in the Organic Foods Production Act.

Section 9006(h) directs the Secretary to modernize international trade tracking and data collection systems of the NOP. In September 2017, the USDA Inspector General issued an audit report (01601-0001-21) evaluating the Agricultural Marketing Services' (AMS) controls over the approval and oversight of the NOP's agreements for international trade and import of organic products. The report found that to combat fraudulent imports of organic products, AMS needs to strengthen its controls over the approval and oversight of international trade arrangements and agreements for the import of organic products into the United States. In addition to strengthening internal controls, the NOP should be using the expertise of the trade professionals at the Foreign Agricultural Service and Customs and Border Protection and their foreign counterparts. In implementing this section, the Committee expects the Secretary to work with these agencies as well as the International Trade Commission to expand the list of Harmonized Tariff Schedule codes for organic products and direct Foreign Agricultural Service staff in overseas posts to identify irregular documentation or cargo movements of organic products.

Specialty Crop Block Grant Program

The bill makes several changes to the Specialty Crop Block Grant Program, which has been successful in enhancing the competitiveness of specialty crops by promoting increased consumption of fruits, vegetables, and nuts, fostering local and regional economic development, and enhancing research on specialty crops.

The Committee recognizes the difficulty in coordinating and funding multi-State projects within the block grant program, and the Committee expects USDA to issue guidance and work with States in making grants available for such projects. These multi-State projects may include food safety, research, plant pest and disease, and crop-specific projects. These projects have the ability to link growers across State lines and promote much needed collaborative research. In the Secretary's guidance, effective multi-State collaborative research should not limit needed equipment and facilities if it is found they are essential to research advancements.

To promote clarity at the time requests for grant proposals are posted, AMS should seek to post the Notice of Funding Availability earlier than the current timeframe of March of each year, if possible within budgetary time constraints. Recommendations for optimal timing of AMS's notice include December of the prior year or January of each grant year.

The Federal Insecticide, Fungicide, and Rodenticide Act and Endangered Species Act consultations

FIFRA is a regulatory statute that governs the sale and use of pesticides in the United States through the registration and labeling of such products. Its objective is to protect human health and the environment from unreasonable adverse effects of pesticides, taking into account the costs and benefits of various product uses. Pesticides regulated under FIFRA include insecticides, herbicides, fungicides, rodenticides, and other designated substances. The Environmental Protection Agency (EPA) reviews scientific data sub-

mitted by chemical manufacturers on toxicity and behavior in the environment to evaluate risks and exposure associated with a product's use.

FIFRA prohibits the sale of any pesticide unless it is registered and labeled indicating approved uses and restrictions. It is a violation of Federal law to use such a chemical in a manner that is inconsistent with the label instructions. If a registration is granted, EPA makes a finding that the chemical "when used in accordance with widespread and commonly recognized practice it will not generally cause unreasonable adverse effects on the environment." (7 U.S.C. 136a(c)(5)(D).) EPA then specifies the approved uses and conditions of use of the pesticide, and this is required to be explained on the product label.

The Endangered Species Act (ESA) requires the Fish and Wildlife Service and the National Marine Fisheries Service (collectively, the Services) to consult with the EPA to assess the impact of an active ingredient on a threatened or endangered species and critical habitat. To obtain a pesticide registration, applicants must submit, and the EPA must review the conclusions of over 100 scientific tests on the pesticide's effects on the environment. The EPA evaluates potential effects of a pesticide on all non-target species, including endangered species, ensuring the proposed use does not cause "any unreasonable adverse effects on the environment", which includes fish, wildlife, and "non-target" plant species. Applicants for a pesticide registration must submit EPA-required scientific studies to the EPA allowing the Agency to conduct a thorough evaluation of the potential environmental impacts. The EPA also considers other available data and can require additional data to ensure its registration decisions are scientifically sound.

The changes made in the Agriculture and Nutrition Act of 2018 strengthen the EPA's pesticide registration process by incorporating the ESA's standard of protection for threatened or endangered species and critical habitat. The changes further require the EPA to request the Services' best available data on the location, life history, habitat needs, distribution, threats, population trends, and conservation needs of the species, and the relevant physical and biological features of designated critical habitat for the species. The Committee expects these changes to result in an improved and more efficient consultation process to make the best use of limited government resources and to increase transparency and public trust in the risk assessment processes.

The Clean Water Act

The objective of the Federal Water Pollution Control Act (Clean Water Act or CWA) is to restore and maintain the chemical, physical, and biological integrity of the nation's waters. The primary mechanism for achieving this objective is the CWA's prohibition on the discharge of any pollutant without a National Pollutant Discharge Elimination System (NPDES) permit. EPA has the authority to regulate the discharge of pollutants either through general permits or through individual permits. NPDES permits specify limits on what pollutants may be discharged from point sources and in what amounts. Under the CWA, 47 States and territories have been authorized to implement NPDES permits and enforce permits.

EPA manages the Clean Water Act program in the remaining States and territories.

NPDES permits are the basic regulatory tool of the CWA. EPA or an authorized State may issue compliance orders, or file civil suits against those who violate the terms of a permit. In addition, in the absence of Federal or State action, individuals may bring a citizen suit in United States district court against those who violate the terms of an NPDES permit, or against those who discharge without a valid permit.

Litigation

In over 30 years of administering the CWA, EPA had never required an NPDES permit for the application of a pesticide, when the pesticide was applied in a manner consistent with FIFRA and its regulations. While the CWA contains a provision granting citizen suits against those who violate permit conditions, or those who discharge without an NPDES permit, FIFRA has no citizen suit provision. As a result, beginning in the late 1990s, a series of citizen lawsuits were filed by parties, contending that an NPDES permit is necessary when applying a FIFRA-regulated product over, into, or near waterbodies. These cases generated several Court of Appeals decisions that created confusion and concern among pesticide users regarding the applicability of the CWA with regard to pesticide use.

As the litigation continued, concern and confusion grew among farmers, forest landowners, and public health officials, prompting EPA to issue interim, and later final, interpretive guidance in August 2003 and January 2005, and then to undertake a rulemaking to clarify and formalize the Agency's interpretation of the CWA as it applied to pesticide use. The EPA rule was finalized in November 2006 (71 *Fed. Reg.* 68483 (Nov. 27, 2006)), and was the culmination of a three year participatory rulemaking process that began with the interim interpretive statement in 2003 and involved two rounds of public comment.

The 2006 EPA rule codified EPA's long-standing interpretation that the application of chemical and biological pesticides for their intended purpose, and in compliance with pesticide label restrictions, is not a discharge of a 'pollutant' under the CWA, and therefore, that an NPDES permit is not required. The rule clearly defined specific circumstances in which the use of pesticides in accordance with all relevant requirements under FIFRA is not a CWA 'discharge of a pollutant,' explaining in detail the rationale for the Agency's interpretation.

When the rule was finalized, environmental groups, as well as farm and pesticide industry groups, filed petitions for review of the rule in several Federal Circuit Courts of Appeal. The petitions were consolidated in the Sixth Circuit. The Sixth Circuit ultimately vacated the rule on January 7, 2009 in *National Cotton Council v. EPA* (553 F.3d 927; hereinafter, *National Cotton Council*), concluding that the final rule was not a reasonable interpretation of the CWA's permitting requirements. The court rejected EPA's contention that, when pesticides are applied over, into, or near waterbodies to control pests, they are not considered pollutants as long as they comply with FIFRA, and held that NPDES permits

are required for all pesticide applications that may leave a residue in water.

EPA estimated that the ruling would affect approximately 365,000 pesticide applicators that perform some 5.6 million pesticide applications annually. The court's decision, which would apply nationally, was to be effective seven days after the deadline for rehearing expired or seven days after a denial of any petition for rehearing. Parties had until April 9, 2009, to seek rehearing.

On April 9, 2009, the government chose not to seek rehearing in the *National Cotton Council* case. The government instead filed a motion to stay issuance of the court's mandate for two years to provide EPA time to develop an entirely new NPDES permitting process to cover pesticide use. As part of this, EPA needed to propose and issue a final NPDES general permit for pesticide applications, for States to develop permits, and for EPA to provide outreach and education to the regulated community. Industry groups filed a petition seeking *en banc* review, asking the full Sixth Circuit to reconsider the decision from the three-judge panel.

On June 8, 2009, the Sixth Circuit granted EPA a two-year stay of the court's mandate, in response to their earlier request. The Sixth Circuit denied the industry groups' petition for rehearing in August 2009. The court-ordered deadline for EPA to promulgate a new permitting process for pesticides under the Clean Water Act was April 9, 2011. On March 3, 2011, EPA filed another request for an extension with the court. On March 28, 2011, the Sixth Circuit granted an extension through October 31, 2011. The Court's extension only temporarily postponed the need for an NPDES permit for pesticide use, and did not obviate the need for this legislation.

Two petitions were filed with the U.S. Supreme Court in December 2009 by representatives of the agriculture community and the pesticide industry, requesting that the U.S. Supreme Court review the *National Cotton Council* case. A number of parties, including numerous Members of Congress, filed *amicus briefs* with the U.S. Supreme Court, in support of or opposition to the petitions. On February 22, 2010, the U.S. Supreme Court denied the petitioners' request without comment.

EPA development of a new permitting process to cover pesticide use

EPA continued to move ahead and developed a new NPDES permitting process to cover pesticide use, and on October 31, 2011, EPA issued a final NPDES Pesticide General Permit for point source discharges from the application of pesticides to waters of the United States. The permit covers four pesticide uses: (1) mosquito and other flying insect pest control; (2) aquatic weed and algae control; (3) aquatic nuisance animal control; and (4) forest canopy pest control. It does not cover terrestrial applications to control pests on agricultural crops or forest floors, and does not cover activities exempt from permitting under the CWA (irrigation return flow, agricultural stormwater runoff) and discharges that will require coverage under an individual permit, such as discharges of pesticides to waterbodies that are considered impaired under CWA Sec. 303(d) for that discharged pesticide. This general permit provides coverage for discharges in the states where EPA is the NPDES per-

mitting authority. In the remaining States, the States are authorized to develop and issue the NPDES pesticide permits.

Implications

The Committee has received testimony and other information on the implications of the Sixth Circuit's holding in the *National Cotton Council* case, and the new permitting process that EPA has had to develop under the CWA as a result of that holding, on State and local agencies, mosquito control districts, water districts, pesticide applicators, agriculture, forest managers, and other stakeholders. On February 16, 2011, the Subcommittee on Water Resources and Environment of the House Committee on Transportation and Infrastructure held a joint hearing with the Nutrition and Horticulture Subcommittee of the House Committee on Agriculture to consider means for reducing the regulatory burdens posed by the *National Cotton Council* case and to consider related draft legislation.

Despite being limited to four categories of pesticide uses, EPA's new general permit for covered pesticides stands to be the single greatest expansion of the permitting process in the history of the NPDES program. EPA has estimated that it can expect approximately 5.6 million covered pesticide applications per year by approximately 365,000 applicators—virtually doubling the number of entities currently subject to NPDES permitting. (U.S. EPA, *Fact Sheet for 2010 Public Notice of: Draft National Pollutant Discharge Elimination System (NPDES) Pesticides General Permit (PGP) for Discharges from the Application of Pesticides to or over, including near Waters of the U.S.*, at 14, available at http://www.epa.gov/npdes/pubs/proposed_pgp_fs.pdf.)

With this unprecedented expansion comes real and tangible burdens for EPA and the States that will have to issue the permits, those whose livelihoods depend on the use of pesticides, and even everyday citizens going about their daily lives. EPA has said that they will be able to conform the current process to meet the Sixth Circuit's mandate. Even so, much of the responsibility of developing and issuing general permits falls on the States. Forty-five States (and the U.S. Virgin Islands) are now facing increased financial and administrative burdens in order to comply with the new permitting process. In a time when too many States are being forced to make difficult budgetary cuts, the nation cannot afford to impose more financial burdens.

The expanded permitting process also imposes enormous burdens on pesticide users who encompass a wide range of individuals from State agencies, city and county municipalities, mosquito control districts, water districts, pesticide applicators, farmers, ranchers, forest managers, scientists, and others. The new and duplicative permitting process is increasing both the administrative difficulty and costs for pesticide applicators to come into compliance with the law. Compliance no longer means simply following instructions on a pesticide label. Instead, applicators have to navigate a complex process of identifying the relevant permit, filing with the regulatory authority a valid notice of intent to comply with the permit, and having a familiarity with all of the permit's conditions and restrictions. Along with increased administrative burdens comes an increased monetary burden. Estimates are that the cost associated

with the EPA permit scheme to small businesses could be as high as \$50,000 per business, annually.

In addition to the costs of coming into compliance, pesticide users are subject to an increased risk of litigation and exorbitant fines. Applicators not in compliance face fines of up to \$37,500 per day per violation, not including attorney's fees. Given the fact that a large number of applicators have never been subject to NPDES and its permitting process, even a good faith effort to be in compliance could fall short. Moreover, the CWA allows for private actions against individuals who may or may not have committed a violation. Thus, while EPA may exercise its judgment and refrain from prosecuting certain applicators, they remain vulnerable to citizen suits. Unless Congress acts, hundreds of thousands of farmers, foresters, and public health pesticide users will remain under the constant threat of lawsuits.

It is not only pesticide regulators and applicators who are being affected by this permitting requirement. Rather, the Sixth Circuit's decision is affecting everyday citizens, who rely on the benefits provided by pesticides and their responsible application. Pesticide use is an essential part of agriculture. Imposing a burdensome and duplicative permitting process on our nation's farmers threatens their ability to continue to provide the country with a safe and reliable food supply. Many family farmers and small applicators lack the resources to ensure compliance with a cumbersome and detailed permit scheme. Moreover, for those farmers who are able to comply, delays that are inherent in permitting schemes are ill-suited for prompt pest control actions necessary in agriculture. Failure to apply a pesticide soon after a pest is first detected could result in recurring and greater pest damage in subsequent years if a prolific insect were to become established in plant hosts. Former Secretary of Agriculture, Hon. Thomas J. Vilsack, said that a permitting system under the CWA for pesticide use "is ill-suited to the demands of agricultural production." (Letter, Hon. Thomas J. Vilsack, Secretary of Agriculture, to Hon. Lisa P. Jackson, Administrator, U.S. Environmental Protection Agency, Subject: *The National Cotton Council of America, et al., v. United States Environmental Protection Agency* (Mar. 6, 2009)).

Forest landowners also stand to suffer under this permit scheme. EPA's permit scheme stands to result in a reduction in the use of forest pest control as a forest management tool, resulting in the acceleration of tree mortality and general decline in overall forest health. It also is erecting barriers for the control of pests, such as Gypsy Moth and Forest Tent Caterpillar. This may result in a higher incidence of preventable tree kills and defoliated landscapes.

Finally, the Sixth Circuit's holding could have significant implications for public health. The National Centers for Disease Control officially recognizes the following as a partial list of mosquito-borne diseases—Eastern Equine Encephalitis, Japanese Encephalitis, La Crosse Encephalitis, St. Louis Encephalitis, West Nile Virus, Western Equine Encephalitis, Dengue Fever, Malaria, Rift Valley Fever, and Yellow Fever. (Centers for Disease Control and Prevention, http://www.cdc.gov/ncidod/diseases/list_mosquitoborne.htm.) EPA's permit program poses the possibility of critical delays in emergency responses to insect and disease outbreaks, and stands to divert re-

sources from controlling environmental pests to litigation and administrative burdens.

Development of legislation in response to the Sixth Circuit decision

As a result of concerns raised by Federal, State, local, and private stakeholders regarding the interrelationship between FIFRA and the CWA and the concerns posed by the new and duplicative permitting process under the CWA, the House Committee on Transportation and Infrastructure and House Committee on Agriculture sought technical assistance from EPA to draft very narrow legislation targeted only at addressing the Sixth Circuit's holding in *National Cotton Council* and return the state of pesticide regulation to the *status quo*—before the courts got involved. The provisions of the Agriculture and Nutrition Act of 2018 are based on the technical assistance that EPA provided to the Committees, and is intended to be consistent with EPA's final rule from November 2006. The bill amends FIFRA and the CWA to eliminate the requirement of an NPDES permit for applications of pesticides authorized for sale, distribution, or use under FIFRA.

ARS Aerial Application Technology Program

The Committee also recognizes the importance of the aerial application of pest control tools. These tools are useful not only to ensure overall food safety and food security, but also to promote public health through improved mosquito control techniques. The ARS Aerial Application Technology Program conducts innovative research making aerial applications more efficient, effective, and precise. This program has yielded more effective public health control programs, as well as increased efficiencies and greater crop production. Research for aerial application serves the public interest as a vital tool for the future.

Beneficial insects

Beneficial insects are an important and sustainable component of integrated pest management (IPM). Biological control is the practice of releasing natural enemies (predators and parasites) that seek out crop-destroying insects and mites. These natural predators, which are farm- or laboratory-reared in accordance with strict quality control standards, are safe to humans and do not harm the environment. Biological control is an important component of organic and conventional IPM and resistance management programs.

The Committee believes that the importation of farm-reared beneficial insects, mites and nematodes, which are native or established in the United States, and which have been continuously produced in controlled industrial settings for many generations, are appropriately regulated by the Department of Agriculture's Animal and Plant Health Inspection Service import permits (PPQ 526). Consistent with Federal Regulation 50 CFR 14.4, which exempts farm-raised insects from the definition of wildlife, these beneficial insects, mites and nematodes shall not require a Declaration for the Importation or Exportation of Wildlife from the U.S. Fish and Wildlife Service (USFWS). USFWS permits and inspections are costly, duplicative and do not provide any additional environmental protections. Further, the duplicative permits cause clearance delays that result in the loss of a highly perishable product.

TITLE X—CROP INSURANCE

Farmers and ranchers borrow more money each year to produce a crop than most Americans will borrow in a lifetime and this investment is extremely risky. As a consequence, producers not only depend on Federal Crop Insurance to survive a natural disaster, but also to secure operating loans from lenders who would not extend credit without something as basic as insurance. Most, if not all, farmers and ranchers would prefer to be able to purchase crop insurance in the same way they buy property and casualty insurance, but this is not an option. As the most frequent critics of Federal Crop Insurance have confessed, an actuarially viable crop insurance policy would be cost prohibitive due to the high risks involved in agriculture.

Thus, Congress reached a fork in the road between providing costly, unbudgeted, government-run ad hoc relief which producers would receive free of cost but also could not count on, or cost-effective, fully-budgeted Federal Crop Insurance that producers could purchase and build into their risk management strategies. Beginning in 1980, Congress began working to make the second approach a reality.

Today, Federal Crop Insurance covers 290 million acres, or 90 percent of all U.S. planted acres, insuring approximately 130 commodities produced nationwide, with more than \$100 billion in liability protection in force. Farmer participation has roughly doubled over the past 18 years and liability protection in force has nearly tripled. Meanwhile, loss ratios are low. In 2016, the loss ratio was 0.42, meaning for every dollar of premium paid in, indemnities paid out equaled 42 cents. Additionally, the improper payment rate is less than half the government-wide average, standing at a mere 1.96 percent. Moreover, \$17 billion in taxpayer savings have been achieved through cuts to Federal Crop Insurance since 2008, including a more than 30 percent cut to administrative and operating expense reimbursement used to pay the agent workforce and adjustors whose workload was sharply increasing. These cuts to the private sector have resulted in significant consolidation among both Approved Insurance Providers and agencies, with a number of high profile Approved Insurance Providers exiting the industry.

The 2014 Farm Bill made significant cuts to the Commodity Title and new investments in Federal Crop Insurance, reflecting a policy shift toward risk management. When the 2014 Farm Bill passed, Federal Crop Insurance costs were expected to increase by \$5.7 billion over 10 years. However, crop insurance has instead cost \$10 billion less than estimated and is projected to save an additional \$10 billion over the next 10 years. Thus, the actual costs of crop insurance in 2016 and 2017 approximate costs of a decade ago. Considerable thanks is owed to farmers and ranchers themselves who pay total premiums as high as \$4.5 billion each year for the peace of mind crop insurance provides.

However, the significant taxpayer savings resulting from Federal Crop Insurance is understated because it does not capture savings resulting from crop insurance having largely obviated ad hoc disaster bills, although some relief for agriculture was recently included in an overall response to the record losses sustained due to

hurricanes and wildfires occurring in 2017. For instance, had Congress approved the same ad hoc disaster program for the 2012 drought as was approved for the 1988 drought, which caused comparable losses, the cost would have exceeded \$17 billion.

The successes of Federal Crop Insurance were not achieved overnight and are, in fact, an ongoing process. However, Federal Crop Insurance owes much of its success to key events of the past 38 years, beginning with the establishment of the current private-public partnership under which private companies and agents write, service, and adjust policies for farmer and rancher customers. The availability of revenue policies and the increase in premium support under the Agricultural Risk Protection Act of 2000, are two other essential elements to the success of crop insurance. It comes as no surprise then that, without exception, the proposals to “reform” Federal Crop Insurance take aim at these key components, presumably with the objective of returning Federal Crop Insurance to its ineffectual state prior to 1980.

At the 114 hearings and 6 listening sessions in the field conducted by the Committee over the course of the past three years, the most common refrain the Committee heard was that Washington “do no harm” to crop insurance. The Committee listened. The farm bill makes targeted improvements to Federal Crop Insurance while maintaining the success of this private-public partnership that America’s farm and ranch families rely on to weather what Mother Nature throws at them.

The changes to Federal Crop Insurance provided under the farm bill include strengthening research and development, including the maintenance fee structure to foster private sector innovation in meeting the risk management needs of farmers and ranchers. The Committee believes communication between private developers of policies and Approved Insurance Providers is critical to ensure new policies are being developed that address unmet needs and that maintenance fees are set at levels that do not inhibit availability or participation.

The Committee is particularly concerned that some crops and growing regions affected by the 2017 hurricanes were unserved or underserved by Federal Crop Insurance and expects the Secretary, acting through the Risk Management Agency (RMA), to use the expansive legal authorities Congress has granted to ensure that these crops and regions are provided access to affordable, high quality coverage through risk management products that effectively mitigate the perils unique to them. The Committee observes that section 508(h)(2), among other authorities, provides significant latitude in addressing these needs. The Committee is also concerned that premium rates on grain sorghum may be set too high given loss experience and expects the Secretary, acting through RMA, to study the matter, report to the Committee with its findings, and take steps to remedy premium rates if they are found to be inappropriately high. The Committee also expects the Secretary, acting through RMA, to treat a crop that can be grazed and also subsequently harvested for grain as two separate crops, making two separate insurance policies available for purchase. The Committee does not intend for total indemnities on the two policies to exceed the total value of the crop, taking into account the value to the producer of the crop when both grazed and harvested. The Committee

further expects the Secretary, acting through RMA, to continue to treat legitimate alternate wetting and drying practices in rice production as acceptable practices under the current basic policy provisions as the agency works with industry, academia, and the private sector to amend the basic provisions to accommodate such technology advances, or develop policy endorsements relating to these or similar practices.

The Committee clarifies that the current Federal Crop Insurance Act authorizes RMA to employ a 10 percent cap when determining the Actual Production History (APH) of a producer and that other authorities are also available to RMA in mitigating the impacts of natural disasters on the APH of producers, including but not limited to the yield adjustment authority under section 508(g)(4)(B), the yield exclusion authority under section 508(g)(4)(C), and the trend yield adjustment under section 508(h). The Committee does not expect RMA to alter the availability or design of these adjustments and observes that section 508(h)(2) provides significant latitude in this regard.

The Committee also includes provisions to avoid any duplication of benefit between Federal Crop Insurance and the Commodity Title's Agricultural Risk Coverage, updates fees for catastrophic loss coverage, and repeals unused authorities. The Committee expects the Secretary, acting through RMA, to make written agreements more accessible to farmers, ensuring regional offices use a more uniform approach to written agreements while easing the administrative burden on farmers needing written agreements in order to obtain coverage. The Committee is aware that there are farmers who produce a crop in a county under a written agreement and if they seek to produce the same crop in another county the producer must have three years of records. The Committee would observe that this requirement can be unnecessarily prescriptive and has injured producers suffering crop losses due to natural disasters.

The Committee urges the Secretary, acting through RMA, to continue making improvements to the Whole Farm Revenue Program (WFRP) to help diverse producers manage their risks. The Committee notes that there is great potential to expand access to crop insurance to producers through the continued improvement of WFRP and expects RMA to evaluate barriers to access to WFRP and work to streamline and reduce these barriers. Specifically, the Committee urges the elimination of limits that disqualify farmers with expected revenues in excess of certain amounts from livestock, nursery, or greenhouses. In addition, the Committee is concerned that many producers are unable to utilize WFRP due to the overall limit on insured revenue. The Committee urges the Secretary, acting through RMA, to provide options under WFRP that would provide risk management protection for producers whose insured revenue is greater than the current limits. Moreover, with the recent elimination of the cap on livestock under Federal Crop Insurance, the Committee observes that the internal cap within WFRP that limits the value of livestock that can be insured is inconsistent and outdated. The Committee expects the Secretary, acting through RMA, to make improvements, including with the help of the private sector, to current insurance policies and to continue to expand and develop options that would provide risk management tools for livestock producers. The Committee further observes the lack of

availability of crop insurance for much of aquaculture. Multiple feasibility studies have been conducted, but have not resulted in a widely available policy for aquaculture farmers. The Committee expects the Secretary, acting through RMA, to specifically identify barriers to participation in WFRP for aquaculture producers. Moreover, the Committee urges RMA to consider treating the different growth stages of aquatic livestock as separate crops to take into account the different perils at different phases of development and the provision of enhanced premium support provided for diversified producers. The Committee also notes that WFRP is a less effective risk management tool the years following significant losses due to a reduction in the five-year income history of the producer. Additionally, while indemnities from insurance policies or the non-insured crop assistance program count as revenue received by producers in the year of the loss, they do not factor in as Revenue to Count for the revenue guarantee going forward, further undermining available WFRP coverage in successive loss years. The Committee expects the Secretary, acting through RMA, to find ways to improve the effectiveness of WFRP so that producers have an effective risk management tool following losses. The Committee further notes that RMA has taken significant steps to improve crop insurance for organic producers (and those transitioning to organic production). The Committee urges the availability of options that ensure that producers enrolled in WFRP who transition from conventional to organic production have insurance coverage representative of their organic income potential.

The Committee would note the popularity and expansion of index-based weather insurance products like Pasture, Range, and Forage (PRF) and Annual Forage (AF). However, with the increased participation in many remote areas of the country, the Committee has concerns about the integrity of the data used to administer the program in areas with a lower density of rainfall data collection sites. Many producers in these areas believe the data reported by the National Oceanographic and Atmospheric Administration (NOAA) may not be representative of the actual rainfall received. The Committee expects the Secretary, acting through RMA, to evaluate the coverage of NOAA weather stations in remote areas and consider alternative data collection methods to supplement where NOAA rainfall data may be lacking.

Moreover, the Committee appreciates efforts by the Administration to streamline common functions across agencies within the Food Production and Conservation (FPAC) mission area by achieving efficiencies through the consolidation of these functions within the FPAC Business Center. However, the Committee expects that staff who fulfill a role that is unique to an agency not be transferred to the Business Center and instead remain located within his or her respective agency.

The Committee notes that Enterprise Units (EU) are an important option for producers and encourages the Secretary, acting through RMA, to permit producers that farm minimal acreage in a county that is ineligible for EU to be combined with EU-eligible acreage in an adjacent county in order to form a single EU.

The Committee would note the disparate treatment of different varieties of potatoes and believes fresh market coverage should be expanded to include additional varieties and that further efforts

should be made to collect sufficient data on specialty variety potatoes so that additional coverage options can be made available to producers. In addition, while the Committee acknowledges the need for RMA to charge a higher interest rate relative to the late payment of premiums to encourage repayment, the Committee urges the Secretary, acting through RMA, to consider whether a 15 percent annual interest rate is exorbitant. Given the significant exits of Approved Insurance Providers, the budget neutrality requirements in law, and the ongoing and severe agriculture recession, the Committee expects the Secretary to forego any action pursuant to section 508(k)(8)(A)(ii). The Committee expects the Secretary, acting through RMA, to protect the integrity of crop insurance through the prevention of tying which is not permitted under the Federal Crop Insurance Act. The Committee notes that the 2014 Farm Bill included a sensible provision to allow agents an opportunity to correct errors. However, the provision has not been implemented in a manner that permits the reasonable correction of errors. The Committee expects that the Secretary, acting through RMA, will address this as part of the Secretary's vision for improving customer service. The Committee commends RMA's May 2016 interpretation of entity for purposes of 7 U.S.C. 1508(a)(9)(B) as wholly consistent with Congressional intent and a plain reading of the statute and vital to maintaining the integrity of crop insurance.

TITLE XI—MISCELLANEOUS

SUBTITLE A—LIVESTOCK

The Committee understands that although accounting for only 5% of GDP, food safety and food access affects 100% of the population. Animal agriculture is no exception and faces disease threats capable of devastating the rural economy and our nation's food supply as was made abundantly clear in recent years with the devastating outbreaks of PEDv and HPAI. As such, the Committee strives to ensure USDA and its partners have the tools necessary to prevent and respond to animal pests and diseases that pose a threat to the U.S. economy and food security.

More specifically, the Committee believes it is essential that USDA's Animal and Plant Health Inspection Service (APHIS), State animal health officials, and stakeholders involved in animal agriculture have: (1) early detection, prevention, and rapid response tools to address any potential animal disease outbreak; (2) robust laboratory capacity for surveillance; and (3) a viable stockpile of vaccine to rapidly respond to the intentional or unintentional introduction of a high-consequence disease like FMD.

In response, the Agriculture and Nutrition Act of 2018 reauthorizes and funds the National Animal Health Laboratory Network (NAHLN), and establishes and funds the National Animal Disease Preparedness and Response Program as well as the National Animal Health Vaccine Bank.

The Agriculture and Nutrition Act of 2018 provides mandatory funding of \$250 million for these programs in Fiscal Year 2019 (to remain available until expended), with \$30 million allocated to the enhancement of the NAHLN, \$70 million allocated to establishment of the National Animal Disease Preparedness and Response Program, and \$150 million allocated for the establishment of a

U.S.-only vaccine bank with a priority for stockpiling FMD vaccine. The bill provides \$50 million of mandatory funding for Fiscal Years 2020 through 2023 with \$30 million set aside for the National Animal Disease Preparedness and Response Program, and the remainder to be used at the Secretary's discretion amongst the three components. The Committee is confident that the Secretary and his team of experts are best positioned to determine the highest priority use of such remaining funds based on current and forecasted needs.

National Animal Health Laboratory Network (NAHLN)

Vigilant surveillance of animal disease is a key first step in preventing and containing an outbreak. As such, the Committee recognizes the NAHLN as the first line of defense in animal disease prevention and testing. This role was put to the test during the 2015 HPAI outbreaks as thousands of samples were rapidly tested to ensure depopulation of infected flocks in a timely manner. The NAHLN was also instrumental in performing surveillance of surrounding areas to mitigate further spread of the disease, and in testing premises to determine freedom of disease prior to repopulation. The Committee intends to build on this success by providing mandatory funding to enhance the capacity of NAHLN, particularly through the development and approval of novel and expedited diagnostic testing methods.

National Animal Disease Preparedness and Response Program

Recent outbreaks of animal disease have demonstrated the importance of a robust, forward-looking animal health program and the need for a coordinated effort between Federal, State, and local partners. The Committee intends to help bridge this gap by establishing and funding the National Animal Disease Preparedness and Response Program modeled after the highly successful Plant Pest and Disease Management and Disaster Prevention Program. The Committee expects the Secretary to enter into multiple cooperative agreements with a variety of eligible entities including State Departments of Agriculture and agricultural colleges and universities to address both wide-spread and localized animal pest and disease threats. Such efforts should include the development and implementation of biosecurity measures such as continuity of business and secure food supply plans.

Foot and Mouth Disease Vaccine Bank

FMD is a highly contagious, viral disease that affects livestock species, including cows, pigs, sheep, and goats. Although the last U.S. outbreak was in 1929, FMD still circulates throughout the world, posing a threat to the United States.

In 2018, the USDA's National Agricultural Statistics Service estimated there were more than 167 million cattle and swine, and almost 8 million sheep and goats in the United States. Given the current limited stock of viral antigen concentrate in the shared North American Vaccine Bank, APHIS would only be able to provide vaccine doses for 1.5% of susceptible U.S. livestock, assuming only a single inoculation for each animal.

To enhance APHIS's ability to respond to the potential introduction of FMD, the Agriculture and Nutrition Act of 2018 establishes

and funds a U.S.-only vaccine bank with priority for the procurement of FMD vaccine. Vaccine from the bank should be used to support APHIS's current vaccination strategy if faced with an outbreak of FMD and used in tandem with stockpiles available to the U.S. through the North American Vaccine Bank.

The Committee encourages the Secretary to carefully consider all options for stockpiling vaccine and expects resources provided to be used on the optimal complement of products to address the highest risk FMD strains including products capable of differentiating infected animals from those that have been vaccinated. In considering stockpiling options, the Committee expects the Secretary to review the procurement process to identify potential efficiencies and improvements, particularly any needed changes to allow for maximum contract flexibility and product innovation over time. The Committee views such efficiencies as vital to the long-term sustainability of the bank.

While the Committee expects the funding provided in the Agriculture and Nutrition Act of 2018 to sufficiently establish and maintain an initial supply of FMD-vaccine and related products, the Committee understands that greater investment may be desired and warranted in later years. The Committee encourages the Secretary and interested stakeholders to work together to identify alternative funding sources to achieve such investment.

Animal disease traceability

The Committee acknowledges that traceability is achieved under the USDA-APHIS Animal Disease Traceability (ADT) Program. The Committee requests that APHIS share with the Committee action items to be completed by the agency based on stakeholder issues identified in the 2017 ADT public listening sessions, as well as corrections for operational deficiencies and gaps in trace performance measures (TPM) as reported in the April 2017 ADT performance assessment related to Phase 1 of the program, prior to moving ahead to initiate Phase 2.

Agrodefense budget review

The Committee recommends that the Secretary work with the Office of Management and Budget and the Secretary of Homeland Security to develop a crosscutting agrodefense budget analysis to provide a better understanding of current funding levels for all agrodefense-related activities. Such an effort would allow agency officials, Congress, and interested stakeholders to make more informed decisions, and better prioritize resources in ensuring the safety of the U.S. food supply.

SUBTITLE B—BEGINNING, SOCIALLY DISADVANTAGED, AND VETERAN PRODUCERS

The Committee-reported bill works to ensure that the needs and concerns of beginning, socially-disadvantaged, and veteran farmers and ranchers are adequately addressed. The Committee appreciates the Secretary's initiative to enhance customer service, and with that in mind, the Committee intends for the Department to ensure properly trained staff are available to this particular group of stakeholders. This will ensure those initiatives are prioritized by all USDA staff at all levels. The Committee intends for the Sec-

retary to lead this effort in coordination with the State offices of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, and the Rural Utilities Service to ensure appropriate information and technical assistance is available through outreach events and activities.

The Agriculture and Nutrition Act of 2018 establishes the “Commission on Farm Transitions—Needs for 2050” to address needs relative to maintaining and strengthening a vital farm sector for the future. Ensuring the next generation of farmers and ranchers are in place to meet that need is a key concern of the Committee.

SUBTITLE C—TEXTILES

The Committee intends to streamline programs that are designed to reduce injury to domestic manufacturers of certain cotton and wool products as a result of disparate treatment under trade agreements. The Committee expects the Textile Trust Fund to continue to carry out the functions of the Pima Cotton Trust Fund, Wool Apparel Manufacturers Trust Fund, Wool Research and Promotion Grants Funding, and the Sheep Improvement Center in the same manner as current law at adjusted funding levels.

SUBTITLE D—UNITED STATES GRAIN STANDARDS ACT

The Committee remains concerned with the Department’s implementation of the U.S. Grain Standards Act provisions that provided for a “written agreement” exception program, which replaced the former “non-use of service” exception program. FGIS Directive 9290.18 created uncertainty for grain handling facilities. The Committee expects the Department to issue an updated directive noting the restored exceptions. In the event that any party to a previous agreement was sold and is now a different entity since an exception was terminated, the Committee expects that an exception could be reinstated as requested.

SUBTITLE E—NONINSURED CROP DISASTER ASSISTANCE PROGRAM

The Committee notes that the Noninsured Crop Disaster Assistance Program (NAP) has served as an effective risk management tool for crops for which crop insurance is not available. However, when NAP was established, only individual yield policies were available through crop insurance. Currently, through subsequent farm bills, initiatives undertaken by the Risk Management Agency (RMA), and through the 508(h) private submission process, there is now a variety of other insurance options available. The Committee intends to clarify the insurance policy type and coverage availability that would result in a crop being ineligible for NAP coverage. NAP is intended to remain available until an individual yield or revenue insurance policy is offered for the crop at both the catastrophic and buy-up coverage levels. Weather-based index products and insurance for whole farm revenue should not impact NAP availability.

The Committee recognizes the efforts undertaken by FSA to maintain the integrity of NAP, but is concerned with a few isolated incidents where fraudulent activity has been discovered. This runs the risk of undermining the intention, purpose, and future avail-

ability of NAP coverage. The Committee expects FSA to vigilantly enforce the rules and regulations associated with NAP to maintain the integrity of the program. Additional effort should be made to identify and analyze aberrant large claims, or repetitive notices of loss filed by the same producer. The Committee would note the success of data mining efforts undertaken by RMA in identifying improper payments and would encourage FSA to explore all analytical options available to enhance oversight of NAP, and to ensure that applicable penalties are appropriate and provide an adequate deterrent to potential violations.

SUBTITLE F—OTHER MATTERS

The Committee supports the Secretary in the reorganization of the Department and, to that end, has included updates to the statutory references to the relevant Under Secretary positions and provided the Secretary the authority to carry out changes under the Department of Agriculture Reorganization Act of 1994.

SECTION-BY-SECTION

H.R. 2, AGRICULTURE AND NUTRITION ACT OF 2018

Sec. 1. Short title; table of contents

Sec. 2. Definition of Secretary of Agriculture

TITLE I—COMMODITIES

SUBTITLE A—COMMODITY POLICY

Sec. 1111. Definitions

Section 1111 sets forth definitions for the Title.

Sec. 1112. Base acres

Section 1112(a) requires the Secretary to provide for adjustments to base acres for covered commodities when a conservation reserve contract expires or is terminated, acres are released from a conservation reserve contract, or when the Secretary designates additional oilseeds in the same manner as current law.

Section 1112(b) requires that, except in the case of certain double-cropped acreage, the sum of the base acres for a farm not exceed actual cropland acreage of the farm, and provides an opportunity for the owner of the farm to select the base acres that will be reduced.

Section 1112(c) allows for the reduction of base acres for any covered commodity for a farm at the option of the owner of a farm, requires the reduction of base acres on a farm by the Secretary where the land has been subdivided and developed for nonfarming uses, and allocates unplanted base during a certain period to unassigned crop base.

Sec. 1113. Payment yields

Section 1113(a) continues the Secretary's authority to establish payment yields for each farm for any designated oilseed that does not have a payment yield for the purposes of price loss coverage payments, sets the method of determining the payment yield for designated oilseeds, and provides that the subsection only applies

to oilseeds designated after the date of enactment of the Agriculture and Nutrition Act of 2018.

Section 1113(b) authorizes the Secretary to establish a payment yield if no payment yield is otherwise established for a covered commodity using the program payment yields of similarly situated farms.

Section 1113(c) provides a single opportunity for the owner of a farm to update yields where the farm is physically located in a county that experience 20 or more consecutive weeks of exceptional drought during a specified period, provides for the method of updating yields for covered commodities, and provides that the election must be made prior to the 2019 crop year.

Sec. 1114. Payment acres

Section 1114(a) continues the establishment of payment acres for each covered commodity on the farm at 85 percent of the base acres for the covered commodity on the farm.

Section 1114(b) permits price loss coverage and agriculture risk coverage payments where the sum of the base acres on farms in which the producer has an aggregate interest of more than 10 acres across all farms.

Section 1114(c) provides for the reduction of payment acres in any crop year in which fruits, vegetables, or wild rice have been planted on base acres on a farm, except where such crops are grown for conservation purposes, or a region has a history of double-cropping.

Section 1114(d) requires the Secretary to maintain information on base acres on a farm allocated as unassigned crop base.

Sec. 1115. Producer election

Section 1115(a) requires producers to make a one-time, irrevocable election to obtain price loss coverage or agriculture risk coverage on a covered-commodity-by-covered-commodity basis.

Section 1115(b) prohibits payments under price loss coverage and agriculture risk coverage for the 2019 crop year and deems an election of price loss coverage for the 2020 through 2023 crop years where all of the producers on a farm fail to make a unanimous election under section 1115(a).

Section 1115(c) prohibits farm reconstitution to void or change an election made under section 1115.

Sec. 1116. Price loss coverage

Section 1116(a) requires the Secretary to make price loss coverage payments on a covered-commodity-by-covered-commodity basis where all of the producers on a farm have elected price loss coverage for any of the 2019 through 2023 crop years where the Secretary determines that the effective price for the crop year is less than the effective reference price.

Section 1116(b) defines the effective price for a covered commodity.

Section 1116(c) defines the payment rate.

Section 1116(d) defines the payment amount.

Section 1116(e) requires that, where required, payments be made beginning October 1 or as soon as practicable, after the end of the applicable marketing year for the covered commodity.

Section 1116(f) defines the effective price for barley.

Section 1116(g) defines the reference price for temperate japonica rice.

Sec. 1117. Agriculture risk coverage

Section 1117(a) requires the Secretary to make agriculture risk coverage payments if all of the producers on a farm have elected agriculture risk coverage for any of the 2019 through 2023 crop years where the Secretary determines that the actual crop revenue is less than the agriculture risk coverage guarantee.

Section 1117(b) defines actual crop revenue.

Section 1117(c) sets the agriculture risk coverage guarantee for a crop year for a covered commodity to 86 percent of the benchmark revenue. Further, this subsection defines benchmark revenue, requires that the Secretary use 70 percent of the transitional yield for yields in any of the five most recent crop years that is less than 70 percent, and requires the Secretary use the effective reference price where the national average market price for any of the five most recent crop years is lower than the effective reference price.

Section 1117(d) defines the payment rate.

Section 1117(e) defines the payment amount.

Section 1117(f) requires that, where required, payments be made beginning October 1 or as soon as practicable, after the end of the applicable marketing year for the covered commodity.

Section 1117(g) sets forth additional duties of the Secretary, including using available information and analysis to check for anomalies in the determination of agriculture risk coverage payments; calculating a separate actual crop revenue and agriculture risk coverage guarantee for irrigated and nonirrigated covered commodities; assigning certain actual or benchmark county yields using Risk Management Agency or other data, and making payments using the payment rate of the county of the physical location of the base acres of a farm.

Sec. 1118. Producer agreements

Section 1118(a) continues the Secretary's authority to require producers agree to comply with certain provisions in exchange for receiving payments, to issue rules to ensure compliance, and to modify compliance requirements.

Section 1118(b) requires that a transfer of or change in the interest of the producers on a farm will result in the termination of payments, unless the transferee or owner agrees to assume all obligations under subsection 1118(a). This section also provides for an exception for producers who die or become incapacitated.

Section 1118(c) requires the Secretary to require producers to submit annual acreage reports with respect to all of the cropland on the farm as a condition of receiving benefits.

Section 1118(d) requires that penalties only be assessed for inaccurate reports where the Secretary determines that the producer knowingly and willfully falsified the acreage or production report.

Section 1118(e) requires the Secretary to provide adequate safeguards to protect the interests of tenants and sharecroppers.

Section 1118(f) requires the Secretary to provide for the sharing of payments among producers on a farm.

SUBTITLE B—MARKETING LOANS

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities

Section 1201 authorizes nonrecourse loans for loan commodities for 2019 through 2023 crop years in the same manner as current law. It also includes a requirement that producers comply with certain conservation requirements.

Sec. 1202. Loan rates for nonrecourse marketing assistance loans

Section 1202 continues the loan rates for commodities in current law for the 2019 through 2023 crop years, except for an adjustment to upland cotton and establishing a loan rate for seed cotton of \$0.25 per pound.

Sec. 1203. Term of loans

Section 1203 continues the provisions of the current law on the terms of loans.

Sec. 1204. Repayment of loans

Section 1204 requires the repayment of marketing assistance loans in the same manner as current law.

Sec. 1205. Loan deficiency payments

Section 1205 authorizes loan deficiency payments for 2019 through 2023 crop years under same conditions as current law.

Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage

Section 1206 continues the authorization for payments in lieu of loan deficiency payments for producers who have grazed acreage for the 2019 through 2023 crop years under in the same manner as current law.

Sec. 1207. Special marketing loan provisions for upland cotton

Section 1207 continues the authorization for the President to issue special import quota for the 2019 through 2023 crop years in the same manner as current law.

Sec. 1208. Special competitive provisions for extra long staple cotton

Section 1208 continues the authorization through July 31, 2024 of the special competitive provisions for extra long staple cotton in the same manner as current law, except for an adjustment to the value of assistance available to domestic users of upland cotton.

Sec. 1209. Availability of recourse loans

Section 1209 continues the authorization for recourse loans for certain crops for the 2019 through 2023 crop years in same manner as current law, except for the provision of recourse loans for commodities that are contaminated, but still merchantable.

Sec. 1210. Adjustment of loans

Section 1210 authorizes the Secretary to adjust loan rates in the same manner as current law, except for the inclusion of cost saving option authority for the Secretary.

SUBTITLE C—SUGAR

Sec. 1301. Sugar policy

Section 1301 reauthorizes the sugar program through the 2023 crop year in the same manner as current law.

SUBTITLE D—DAIRY RISK MANAGEMENT PROGRAM AND OTHER DAIRY PROGRAMS

Sec. 1401. Dairy risk management program for dairy producers

Section 1401(a) requires the Secretary to submit a report to the relevant congressional committees evaluating the accuracy of the data used by the Secretary to evaluate the average cost of feed used by a dairy operation to produce a hundredweight of milk.

Section 1401(b) requires the Secretary to submit a report to the relevant congressional committees detailing the costs incurred by dairy operation in the use of corn silage as feed and the difference between the feed cost of corn silage and the feed cost of corn.

Section 1401(c) requires the Secretary to revise monthly price survey reports to include prices for high-quality alfalfa hay in the top five milk producing States.

Section 1401(d) amends section 1404(b) of the Agricultural Act of 2014 to allow for the exclusion of certain individual owners in multiproducer dairy operations from registration, and a corresponding reduction in payments to such operations.

Section 1401(e) amends section 1404(d) of the Agricultural Act of 2014 to allow a dairy operation to participate in both the dairy risk management program and the livestock gross margin for dairy program, but not on the same production.

Section 1401(f) amends section 1405(a) of the Agricultural Act of 2014 to provide for the use of certain annual milk marketings to determine prior dairy operation production history through 2023.

Section 1401(g) amends section 1406 of the Agricultural Act of 2014 to provide for the election of coverage level thresholds and coverage percentage for each participating dairy operation.

Section 1401(h) amends section 1407(b) of the Agricultural Act of 2014 to set forth the premiums for participation in the dairy risk management program.

Section 1401(i) makes conforming amendments related to the program name.

Section 1401(j) requires that the amendments made by this section take effect 60 days after the enactment of this Act.

Section 1401(k) authorizes the dairy risk management program through 2023.

Sec. 1402. Class I skim milk price

Section 1402(a) amends section 8c of the Agricultural Adjustment Act to set out the formula for determining the prices for milk of the highest use classification for Class I milk.

Section 1402(b) requires that the amendments set out in section 1402(a) take effect on the first day of the first month no more than 120 days after the date of enactment of the Act.

Sec. 1403. Extension of dairy forward pricing program

Section 1403 reauthorizes the dairy forward pricing program through 2023.

Sec. 1404. Extension of dairy indemnity program

Section 1404 reauthorizes the dairy indemnity program through 2023.

Sec. 1405. Extension of dairy promotion and research program

Section 1405 reauthorizes the dairy promotion and research program through 2023.

Sec. 1406. Repeal of dairy product donation program

Section 1406 repeals section 1431 of the Agricultural Act of 2014, the dairy product donation program.

SUBTITLE E—SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE PROGRAMS

Sec. 1501. Modification of supplemental agricultural disaster assistance

Subsection (a) of section 1501 amends section 1501(b) of the Agricultural Act of 2014 to expand the livestock indemnity program to cover death or sale loss as a result of diseases that are caused or transmitted by a vector and that is not able to be controlled by vaccination or other acceptable management practices.

Subsection (b) amends section 1501(f) by eliminating the payment limitation of \$125,000 per crop year for Emergency Assistance for Livestock, Honey Bees, and Farm Raised-Fish (ELAP). The subsection further excludes a person or legal entity from the AGI limitation if 75 percent or more of the average adjusted gross income of the person or legal entity comes from farming, ranching, or silviculture.

Subsection (c) applies an effective date of January 1, 2017.

SUBTITLE F—ADMINISTRATION

Sec. 1601. Administration generally

Section 1601(a) allows the Secretary to use the funds and facilities of the Commodity Credit Corporation to carry out this title.

Section 1601(b) provides that a determination made by the Secretary under this title shall be final and conclusive.

Section 1601(c) provides for an expedited implementation of this title.

Section 1601(d) provides for the Secretary's authority, to adjust expenditures under this title to ensure the United States remains in compliance with our international trade agreements, is continued in the same manner as current law.

Sec. 1602. Suspension of permanent price support authority

Section 1602 continues the suspension of permanent price authority in the Agriculture Marketing Adjustment Act of 1938 and the Agricultural Act of 1949.

Sec. 1603. Payment limitations

Section 1603 amends section 1001 of the Food Security Act of 1985 to limit the total amount of payments a person or a legal entity can receive under subtitle A to \$125,000. Further, section 1603 revises the definition of family member to include first cousins, nieces, and nephews. Finally, section 1603 creates a new definition of 'qualified pass through entity' to ensure that payment limits are applied to either the individual or entity, depending on where taxable revenue is recognized.

Sec. 1604. Adjusted gross income limitation

Section 1604 amends section 1001D of the Food Security Act of 1985 to ensure that the adjusted gross income limitation is applied to either the individual or entity, depending on where taxable revenue is recognized. This section also provides the Secretary the authority to provide a waiver to the adjusted gross income limitation to protect environmentally sensitive land of special significance.

Sec. 1605. Prevention of deceased individuals receiving payments under farm commodity programs

Section 1605 continues the requirement that the Secretary prevent deceased individuals from receiving farm commodity program payments by reconciling the Social Security Numbers of all individuals who received payments under this title with the Commissioner of Social Security in the same manner as current law.

Sec. 1606. Assignment of payments

Section 1606 continues the authority of a producer who receives a payment under this title to assign the payment to someone else after proper notice to the Secretary in the same manner as current law.

Sec. 1607. Tracking of benefits

Section 1607 reauthorizes the Secretary to track the benefits provided to individuals getting payments under titles I and II in the same manner as current law.

Sec. 1608. Signature authority

Section 1608 continues the signature authority of a producer in the same manner as current law.

Sec. 1609. Personal liability of producers for deficiencies

Section 1609 continues the provisions of personal liability of producers for deficiencies in the same manner as current law.

Sec. 1610. Implementation

Section 1610(a) requires the Secretary to maintain base acres and payment yields in the same manner as current law.

Section 1610(b) requires the Secretary to continue to streamline administrative burdens and costs in the same manner as current law.

Section 1610(c) requires the Secretary to make \$25,000,000 available to implement this title.

Section 1610(d) provides for loan implementation in the same manner as current law.

Sec. 1611. Exemption from certain reporting requirements for certain producers

Section 1611 exempts producers who participate in any conservation or commodity program from certain reporting requirements.

TITLE II—CONSERVATION

SUBTITLE A—WETLAND CONSERVATION

Sec. 2101. Program ineligibility

Section 2101 amends section 1221(d) of the Food Security Act of 1985 to direct the Secretary to determine that no exemption under section 1222 of the Food Security Act of 1985 exists before determining program ineligibility.

Sec. 2102. Minimal effect regulations

Subsection (a) amends section 1222(d) of the Food Security Act of 1985 to direct the Secretary to identify by regulation categorical minimal effect exemptions on a regional basis within 180 days of enactment.

Subsection (b) amends section 1222(k) of the Food Security Act of 1985 to provide \$10,000,000 in Commodity Credit Corporation funds in fiscal year 2019, to remain available until expended. In addition, subsection (b) authorizes appropriations of \$5,000,000 each of the years 2019 through 2023 for establishment of mitigation banks for conservation compliance.

SUBTITLE B—CONSERVATION RESERVE PROGRAM

Sec. 2201. Conservation reserve

Subsection (a) amends section 1231(a) of the Food Security Act of 1985 to reauthorize the conservation reserve program through the 2023 fiscal year.

Subsection (b) amends section 1231(d) of the Food Security Act of 1985 to increase the total CRP enrollment cap from 24,000,000 acres to 29,000,000 acres by the end of 2023 by increasing the cap 1,000,000 acres per year. In addition subsection (b) provides for a step up in acres of grassland contracts in increments of 500,000 to at least 3 million acres by 2023. The provision reserves unused grassland acres solely for grassland enrollment. The subsection also requires the Secretary to maintain the distribution of enrolled acres across the states in proportion to the historic state enrollment in the program and requires general signups to be held at least every other year.

Subsection (c) amends section 1231(e) of the Food Security Act of 1985 to set a duration range for general contracts for 10–15 years and continuous signup practices at either 15 years or 30 years.

Subsection (d) amends section 1231(h) of the Food Security Act of 1985 to limit the enrollment of land with established hardwood trees to one re-enrollment.

Sec. 2202. Farmable wetland program

Subsection (a) amends section 1231B(a) of the Food Security Act of 1985 to extend the Farmable Wetlands Program through 2023.

Subsection (b) amends section 1231B(b) of the Food Security Act of 1985 to remove the wildlife buffer acreage ratio requirement for

wetland buffers while retaining the three technical criteria and Secretarial discretion for determining the allowed buffer size.

Subsection (c) amends section 1231B(c) of the Food Security Act of 1985 to reduce the acreage cap for farmable wetland enrollment from 750,000 to 500,000 acres and removes discretionary authority for the Secretary to increase the cap by 200,000.

Subsection (d) amends section 1231B(e) of the Food Security Act of 1985 to remove the general prohibition for commercial use of enrolled lands.

Subsection (e) amends section 1231B(f) of the Food Security Act of 1985 to remove authority for incentive payments for farmable wetlands.

Sec. 2203. Duties of owners and operators

Subsection (a) amends section 1232(a) of the Food Security Act of 1985 to allow grazing for limited purpose of management as required by contract and specifically to direct the Secretary to include thinning and other practices, limited to management purposes, that improve the condition of the resources, promote forest management, and enhance wildlife habitat on land devoted to trees.

Subsection (b) amends section 1232(b)(2) of the Food Security Act of 1985 to create flexibility for some commercial use of enrolled lands.

Sec. 2204. Duties of the Secretary

Subsection (a) amends section 1233(a) of the Food Security Act of 1985 to establish a cross reference to the subsection for determining annual rental payment rates for the contract.

Subsection (b) amends section 1233(b) of the Food Security Act of 1985 to expand the opportunities for owners and operators to use haying, grazing, and other management tools on conservation reserve acres under an approved plan by the Secretary. The subsection limits haying to no more frequently than once in every three years with not less than 25 percent of the acres remaining unharvested and includes greater flexibility for the Secretary to determine the frequency and duration for grazing of enrolled acres and fixes an upper limit on stocking rates if the grazing is to occur during the nesting season. Subsection (b) further allows intermittent or seasonal vegetative buffer practices incidental to production activity on adjacent land and provides for a 25 percent reduction in the annual rental payment for use of the land unless the activity is used to address a mid-contract management requirement which would result in no deduction. Finally, this subsection includes a provision to automatically make the Conservation Reserve Program (CRP) eligible for grazing when the livestock assistance program is engaged because of drought.

Subsection (c) amends section 1233 of the Food Security Act of 1985 to provide clearer authority for the Secretary to waive planned mid-contract management requirements when the use of the cover in response to a natural disaster or adverse weather resulted in the same effect on the cover as the planned management activity.

Sec. 2205. Payments

Subsection (a) amends section 1234(b) of the Food Security Act of 1985 to reduce practice and measure establishment cost share from 50 percent to no more than 40 percent, and limits the cost share for the seed component of the cover establishment to 25 percent of the seed cost. The subsection further places a cap on any incentive payments for installing practices to not exceed the actual cost of the practice. Finally, the language prevents the Secretary from making a cost-share payment when grazing is used as a mid-contract management practice.

Subsection (b) amends section 1234(c) of the Food Security Act of 1985 to preserve incentive payments for tree thinning and related forest stand management, but reduces the payments from 150 percent to 100 percent of the cost.

Subsection (c) amends section 1234(d) of the Food Security Act of 1985 to require USDA, in determining rental rates, to consider the impact to local farmland rental market; and to reduce the rental payment to 80 percent of the established rental rate at the time of enrollment. It further establishes a declining scale for each subsequent enrollment in the program beginning with 15 percent for the first reenrollment and 10 percent for each reenrollment thereafter. Further, the subsection increases the frequency of the rental rate estimate survey from every other year to annual, and requires the rental rates to be published by September 15 each year.

Subsection (d) amends section 1234(g) of the Food Security Act of 1985 to require agreements with States for the Conservation Reserve Enhancement Program to limit the program cost share to 50 percent of the agreement.

Sec. 2206. Contracts

Subsection (a) amends section 1235(e) of the Food Security Act of 1985 to update the authority for the Secretary to allow a one-time early termination of contracts in fiscal year 2019.

Subsection (b) amends section 1235(f) to update provisions allowing transition of land to beginning farmer or rancher (BFR) buyers of enrolled acreage to prepare land for crop use; to provide extended time for entry into Organic Foods Production Act of 1990 certification; and to ensure the Secretary provides technical and financial assistance to assist the BFR in transitioning the enrolled acreage through a conservation plan.

Subsection (c) amends section 1235(g) of the Food Security Act of 1985 to allow expiring CRP contract acres to enter into an Environmental Quality Incentives Program (EQIP) contract in the final year to prepare the land for cropping or grazing after expiration, and to allow expiring CRP acreage entering into organic food production to be begin preparing for transition in the final 3 CRP years of the contract.

SUBTITLE C—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Sec. 2301. Definitions

Subsection (a) of section 2301 amends section 1240A of the Food Security Act of 1985 to include two new conservation activities; precision conservation management planning, and cover crops and

resource conserving crop rotations as eligible for the purposes of the program.

Subsections (b) and (c) provide for the additional definitions of “priority resource concern” and “stewardship practices” for the purposes of the program to support the addition of stewardship contracts made by 2302(d).

Sec. 2302. Establishment and administration

Subsection (a) of section 2302 amends section 1240B of the Food Security Act of 1985 to extend the authority for the environmental quality incentives program through fiscal year 2023.

Subsection (b) further amends section 1240B of the Food Security Act of 1985 to eliminate the 60 percent livestock allocation of funding. The subsection further extends the authorization for the at least 5 percent allocation of funding for practices benefitting wild-life habitat.

Subsection (c) amends section 1240B(h) of the Food Security Act of 1985 to expand the list of practices available for water conservation and irrigation efficiency. This subsection further adds limited eligibility of irrigation districts, associations, and acequias including waiver authority for adjusted gross income and limitations on payments.

Subsection (d) creates authority for new stewardship contracts of 5 to 10 year term within EQIP for the purposes of payments for stewardship practices that address locally established priority resource concerns. The subsection further establishes considerations for determining practice payment amounts and a payment limitation for a person or entity of \$50,000/year. The subsection provides for use of no more than 50 percent of the EQIP appropriations for these contracts.

Sec. 2303. Limitation on payments

Section 2303 amends section 1240G of the Food Security Act of 1985 to extend the authority for the payment limitation of \$450,000 for all contracts entered into under the program for the period of fiscal years 2019 through 2023.

Sec. 2304. Conservation innovation grants and payments

Subsection (a) of section 2304 amends section 1240H(a) of the Food Security Act of 1985 to limit the amount of EQIP funds used for conservation innovation grants at not more than \$25 million for each fiscal year, 2019 through 2023. The subsection further extends eligibility for conservation innovation grants to persons participating in higher education on lands owned by an institution of higher education.

Subsection (b) of section 2304 amends section 1240H(b) of the Food Security Act of 1985 to increase the Air Quality Concerns from Agriculture set aside to \$37,500,000 each fiscal year 2019 through 2023.

Subsection (c) of section 2304 amends section 1240H of the Food Security Act of 1985 to authorize the Secretary to use up to \$25 million of EQIP funds for each fiscal year 2019 through 2023 to enter into agreements for on-farm conservation innovation trials. This subsection encourages the Secretary to provide payments for 3 or more years to producers, including forgone income, when

adopting new and innovative conservation technology, and requires the Secretary to make the results available on a public database while protecting individual producer's information. Subsection (c) further instructs the Secretary regarding provision of technical assistance, eligible entities, and examples of new or innovative technologies to be included in on-farm trials. The Secretary is to provide compilation and analysis of the trials to encourage broader adoption of the innovative technologies.

SUBTITLE D—OTHER CONSERVATION PROGRAMS

Sec. 2401. Conservation of private grazing land

Section 2401 amends section 1240M of the Food Security Act of 1985 to extend the authorization of appropriations for conservation of private grazing land program at the current level of \$60,000,000 a year through fiscal year 2023.

Sec. 2402. Grassroots source water protection program

Subsection (a) of section 2402 amends section 1240O of the Food Security Act of 1985 to extend the authorization of appropriations for the grassroots source water protection program at the current level of \$20,000,000 each year through fiscal year 2023.

Subsection (b) includes an additional \$5,000,000 in mandatory funding to be made available in fiscal year 2019 and remain available until expended.

Sec. 2403. Voluntary public access and habitat incentive program

Section 2403 amends section 1240R of the Food Security Act of 1985 by making \$50,000,000 available in mandatory funding for the period of fiscal years 2019 through 2023.

Sec. 2404. Watershed protection and flood prevention

Subsection (a) of section 2404 amends section 14 of the Watershed Protection and Flood Prevention Act to extend the authorization of appropriations for the small watershed rehabilitation program at the current level of \$85,000,000 a year through fiscal year 2023.

Subsection (b) amends the Watershed Protection and Flood Prevention Act to include a new section that makes an additional \$100,000,000 in mandatory money to remain available until expended for each fiscal year through 2023 for the purposes of carrying out programs under the Act.

Sec. 2405. Feral swine eradication and control pilot program

Subsection (a) of 2405 provides the Secretary the authority to establish a pilot project for eradication and control of feral swine.

Subsection (b) enumerates the duties of the Secretary in carrying out the pilot including assessment, control methods, restoration, and the provision for financial assistance to producers.

Subsection (c) enumerates the actions for which financial assistance will be provided.

Subsection (d) requires coordination between the Natural Resources Conservation Service and the Animal and Plant Health Inspection Service with State Technical Committees to determine the pilot areas for the project.

Subsection (e) provides that areas considered for the pilot will demonstrate feral swine impacts as a threat to agriculture, native ecosystems, or human or animal health.

Subsection (f) establishes the cost-share level of 75 percent and provides for in-kind contributions of materials and services.

Subsection (g) allocates \$100 million in mandatory funds for the period 2019 through 2023 and distributes the funding at 50 percent to each agency and the scope of their work. It further limits the use of these funds to no more than 10 percent for administrative expenses associated with the pilot project.

SUBTITLE E—FUNDING AND ADMINISTRATION

Sec. 2501. Commodity Credit Corporation

Subsection (a) of section 2501 amends section 1241 of the Food Security Act of 1985 to extend the authorization and amend the funding levels for the programs under the Title.

Funding levels:

CRP tree thinning incentive—\$10,000,000 set aside through fiscal year 2023

CRP-Transition Incentive Program—\$33,000,000 set aside through fiscal year 2023

Agriculture Conservation Easement Program (ACEP)—\$500,000,000 each fiscal year through 2023

EQIP—\$2,000,000,000 for fiscal year 2019;

\$2,500,000,000 for fiscal year 2020;

\$2,750,000,000 for fiscal year 2021;

\$2,935,000,000 for fiscal year 2022;

\$3,000,000,000 for fiscal year 2023.

The subsection further eliminates funding for the conservation security program which is repealed. It also provides for necessary funding to carry out conservation stewardship contracts that were entered into prior to the date of enactment of this Act.

Subsection (b) amends section 1241 of the Food Security Act of 1985 to extend the authority to make the funds provided under the Title available until expended through 2023.

Subsection (c) amends section 1241 of the Food Security Act of 1985 to repeal a report to Congress on the conservation compliance impacts to producers of the Agriculture Act of 2014 and a report on outreach to specialty crop growers.

Subsection (d) of section 2501 amends section 1241 of the Food Security Act of 1985 to repeal the regional equity distribution of funds requirement.

Subsection (e) of section 2501 amends section 1241 of the Food Security Act of 1985 extending the authority to use, to the maximum extent practicable, 5 percent of EQIP funds for beginning farmers or ranchers, and 5 percent for socially disadvantaged farmers or ranchers.

Subsection (f) updates the requirements of the annual report to Congress reflecting the amendments made by this Act.

Sec. 2502. Delivery of technical assistance

Subsection (a) of section 2502 amends section 1242 of the Food Security Act of 1985 to include new definitions for “eligible participant” and “third-party provider.”

Subsection (b) amends section 1242 of the Food Security Act of 1985 to include a new subsection providing alternative certification methods for third-party providers.

Sec. 2503. Administrative requirements for conservation programs

Section 2503 amends section 1244 of the Food Security Act of 1985 to include a new subsection that requires the Secretary to promote water quality and water quantity practices that protect drinking water. The new subsection requires collaboration with community water systems and offers increased incentives and higher payment rates for practices that result in environmental benefits. The new subsection further reserves not less than 10 percent of Title II funds—except CRP—to carry out the subsection.

Sec. 2504. Establishment of State technical committees

Section 2504 amends section 1261(c) of the Food Security Act of 1985 to add land-grant university extension programs to the list of representatives.

SUBTITLE F—AGRICULTURAL CONSERVATION EASEMENT PROGRAM

Sec. 2601. Establishment and purposes

Section 2601 amends section 1265 of the Food Security Act of 1985 to clarify that nonagricultural uses that do not negatively impact the agricultural operation or conservation values of the property are allowed.

Sec. 2602. Definitions

Subsection (a) of section 2602 amends section 1265A of the Food Security Act of 1985 to conform the definition of “agricultural land easement” with the elimination of the requirement for an agricultural land easement plan.

Subsection (b) amends section 1265A of the Food Security Act of 1985 to make 100 percent nonindustrial private forest land eligible if it provides significant conservation benefit. It further removes the requirement for the Secretary to consult with the Secretary of the Interior on program priorities for wetlands eligibility.

Subsection (c) amends section 1265A of the Food Security Act of 1985 to include a new definition for the term “monitoring report.”

Sec. 2603. Agricultural land easements

Subsection (a) of section 2603 amends section 1265B of the Food Security Act of 1985 to conform the availability of assistance with the elimination of the requirement for an agricultural land easement plan.

Subsection (b) amends section 1265B of the Food Security Act of 1985. Paragraph (1) amends the eligible sources for the non-Federal share and describes the exception for grasslands. Paragraph (2) amends section 1265B to require the Secretary to adjust ranking and evaluation criteria for applications in order to account for geographic differences among states, as long as such adjustments continue to meet the purpose of the program and maximize the benefit to the Federal investment. Paragraph (3) further amends section 1265B with respect to the minimum terms and conditions of the easements. It includes the requirement that the right of en-

forcement does not create a right of inspection by the Secretary of an easement unless an eligible entity fails to provide monitoring reports in a timely manner. It eliminates the requirement for an agricultural land easement plan, but allows the Secretary to require a conservation plan only for highly erodible land. It limits the Secretary's ability to require a refund after a violation of the terms and conditions only in the case of fraud or negligence. The subsection further allows for limited mineral development on the easement. It also clarifies that owners of land subject to an easement may participate in environmental services markets if the purpose of the market is the facilitation of additional conservation benefits. Paragraph (4) amends section 1265B(b)(5) of the Food Security Act of 1985 to allow certified eligible entities to use their own terms and conditions consistent with the purposes of the program. Paragraph (4) further allows for a land trust that has been accredited by the Land Trust Accreditation Commission, and has completed at least five acquisitions of easements under the program, to be considered certified for the purposes of the program.

Subsection (c) amends section 1265B of the Food Security Act of 1985 to conform the technical assistance authority with the elimination of the agricultural land easement requirement.

Sec. 2604. Wetland reserve easements

Section 2604 amends section 1265(b)(5)(i)(III) of the Food Security Act of 1985 to add a grazing management plan as a qualifying criteria for reservation of grazing rights consistent with the wetland reserve easement plan.

Sec. 2605. Administration

Subsection (a) amends Section 1265D(a)(4) of the Food Security Act of 1985 allowing the Secretary to exclude land for easements enrollment when permitted for infrastructure development.

Subsection (b) of section 2605 amends Section 1265D(c)(1) of the Food Security Act of 1985 to allow the Secretary to subordinate or exchange any interest in land in the government's best interest and allows the Secretary to modify any interest in the land that has a neutral effect or increase in conservation values and intent of the easement. The subsection further allows the Secretary to terminate an easement if it is in the public interest and agreed to by the current land owner. It deems easements as a qualified conservation contribution for the purposes of the IRS and provides for the treatment of the contribution following an administrative action by the Secretary.

Subsection (c) of section 2605 amends Section 1265D of the Food Security Act of 1985 by adding a new subsection (f) exempting ACEP from the Adjusted Gross Income requirement in section 1001D(b)(1) of the Food Security Act of 1985.

SUBTITLE G—REGIONAL CONSERVATION PARTNERSHIP PROGRAM

Sec. 2701. Definitions

Subsection (a) of section 2701 amends section 1271A of the Food Security Act of 1985 removes the conservation stewardship program from the list of covered programs and adds the conservation

reserve program and programs under the Watershed Protection and Flood Prevention Act.

Subsection (b) amends section 1271A to include “resource conserving crop rotations” and the “protection of source water for drinking water” to this list of eligible activities.

Sec. 2702. Regional conservation partnerships

Subsection (a) of section 2702 amends section 1271B of the Food Security Act of 1985 to allow for partnership agreements to exceed 5 years if it is necessary to have a longer agreement in order to meet the objectives of the program.

Subsection (b) amends section 1271B to specify that partners should quantify a project’s environmental outcomes when assessing a projects effects.

Subsection (c) amends section 1271B to require the Secretary to simplify the application process. The subsection further allows for the renewal or expansion of existing projects through an expedited application process.

Sec. 2703. Assistance to producers

Section 2703 amends section 1271C to conform with the addition of longer partnership agreement terms, and expands the Secretary’s waiver authority to include the ability to waive any existing payment limits in the covered programs.

Sec. 2704. Funding

Section 2704 makes \$250,000,000 of mandatory money available each fiscal year from 2019 through 2023 to carry out the program. Further, the section does not extend the availability of funds or acres from the covered programs to be used for the purposes of the program.

Sec. 2705. Administration

Section 2705 amends section 1271E of the Food Security Act of 1985 to require the Secretary to provide guidance on how to quantify and report on environmental outcomes associated with the adoption of conservation practices under the program. The section further adds a requirement to include the progress being made on quantifying and reporting of environmental outcomes to the report of the Secretary to Congress.

Sec. 2706. Critical conservation areas

Section 2706 amends section 1271F of the Food Security Act of 1985 by eliminating the restriction of watershed programs only to critical conservation areas under the regional conservation partnership program conforming to the changes made by section 2701.

SUBTITLE H—REPEALS AND TRANSITIONAL PROVISIONS; TECHNICAL AMENDMENTS

Sec. 2801. Repeal of the conservation security and conservation stewardship programs

Subsection (a) of section 2801 amends the Food Security Act of 1985 to repeal the conservation security program and the conservation stewardship program.

Subsection (b) allows for transitional provisions so existing contracts may continue unaffected until expiration. Renewals under the existing contracts are explicitly prohibited.

Sec. 2802. Repeal of terminal lakes assistance

Section 2802 repeals section 2507 of the Farm Security and Rural Investment Act of 2002, the desert terminal lakes program.

Sec. 2803. Technical amendments

Section 2803 provides for necessary technical amendments.

TITLE III—TRADE

SUBTITLE A—FOOD FOR PEACE ACT

Sec. 3001. Findings

Sec. 3002. Labeling requirements

Section 3002 amends section 202(g) of the Food for Peace Act to require, in the case of commodities or food purchased in country, markings on the package or container and, in the case of other assistance, accompanying printed material that indicate that the assistance was furnished by the people of the United States of America.

Sec. 3003. Food aid quality assurance

Section 3003 amends section 202(h)(3) of the Food for Peace Act to reauthorize the funding for food aid quality activities through fiscal year 2023.

Sec. 3004. Local sale and barter of commodities

Section 3004 amends section 203(a) of the Food for Peace Act to provide the Administrator discretion in the levels of local sales and strikes section 203(b), the minimum level of local sales for non-emergency programs.

Sec. 3005. Minimum levels of assistance

Section 3005 amends section 204(a) of the Food for Peace Act to reauthorize minimum levels of commodities available for emergency and non-emergency assistance through 2023.

Sec. 3006. Extension of termination date of Food Aid Consultative Group

Section 3006 amends section 205(f) of the Food for Peace Act to reauthorize the Food Aid Consultative Group through 2023.

Sec. 3007. Issuance of regulations

Section 3007 amends section 207(c) of the Food for Peace Act to allow the Administrator 270 days after the date of enactment of the Agriculture and Nutrition Act of 2018 to issue regulations and revisions to agency guidance necessary to implement the Act.

Sec. 3008. Funding for program oversight, monitoring, and evaluation

Section 3008 amends section 207(f)(4) of the Food for Peace Act to permit the Administrator to use up to 1.5 percent of the funds

made available under Title II of the Food for Peace Act for the 2019 through 2023 fiscal years for monitoring of emergency food assistance.

Sec. 3009. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods

Section 3009 amends section 208 of the Food for Peace Act to change the section heading to “International Food Relief Partnership” and, in paragraph (f), to authorize the program until 2023.

Sec. 3010. Consideration of impact of provision of agricultural commodities and other assistance on local farmers and economy

Section 3010(a) amends section 403(a) of the Food for Peace Act to ensure that no modalities of assistance are distributed in a recipient country where distribution would create a substantial disincentive to, or interference with, domestic production or marketing.

Section 3010(b) amends section 403(b) to ensure that, like the importation of United States commodities and other activities, the distribution of food procured outside of the United States, food vouchers, and cash transfers for food will not have a disruptive impact on the farmers or local economy of a recipient country.

Sec. 3011. Prepositioning of agricultural commodities

Section 3011 amends section 407(c)(4)(A) of the Food for Peace Act to reauthorize the prepositioning of agricultural commodities until 2023.

Sec. 3012. Annual report regarding food aid programs and activities

Section 3012(a) amends section 407(f) of the Food for Peace Act to allow the Administrator and the Secretary to file the annual report either jointly or separately. In addition, this section requires that, where the annual report is not filed by the April 1 deadline, the Administrator and the Secretary notify the relevant congressional committees of any delay and the reasons for such delay. In addition, section 407(f) is updated to combine an existing annual report with more detailed information about the utilization of funds by eligible organizations.

Section 3012(b) repeals a duplicative report.

Sec. 3013. Deadline for agreements to finance sales or to provide other assistance

Section 3013 amends section 408 of the Food for Peace Act to extend the deadline for agreements to finance sales or to provide other assistance until December 31, 2023.

Sec. 3014. Minimum level of nonemergency food assistance

Section 3014 amends section 412(e) of the Food for Peace Act to provide not less than \$365,000,000 of the amounts made available to carry out title II of the Act, nor more than 30% of such funds, be expended for nonemergency food assistance programs. Further, section 412(e) is amended to provide that certain community development funds that are made available through certain grants or cooperative agreements and that are consistent with the goals of

Title II of the Food for Peace Act may be deemed to have been expended on nonemergency food assistance programs for the purposes of this section.

Sec. 3015. Termination date for micronutrient fortification programs

Section 3015 amends section 415(c) of the Food for Peace Act to reauthorize the micronutrient fortification program until 2023.

Sec. 3016. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

Section 3016(a) amends section 501(b)(1) of the Food for Peace Act to clarify that the nature of assistance provided by the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program (Farmer-to-Farmer Program) is technical assistance.

Section 3016(b) amends section 501(b)(2) of the Food for Peace Act to include retired extension staff of the Department of Agriculture in the list of entities that may work in conjunction with agricultural producers and farm organizations on a voluntary basis.

Section 3016(c) amends section 501(b) of the Food for Peace Act to reinforce that longer-term and sequenced assignments and partnerships are allowed within the Farmer-to-Farmer Program.

Section 3016(d) amends section 501(d) of the Food for Peace Act to provide, with continued set-asides for certain geographic locations, a minimum level of funding of not less than the greater of \$15,000,000 or 0.6% of amounts made available to carry out the Food for Peace Act for each fiscal year through 2023. Section 3017(d) also provides that funds used to carry out programs under section 501 of the Food for Peace Act shall be counted towards the minimum level of nonemergency food assistance under section 412(e) of the Food for Peace Act.

Section 3016(e) amends section 501(e) of the Food for Peace Act to reauthorize the authorization of appropriations until 2023.

SUBTITLE B—AGRICULTURAL TRADE ACT OF 1978

Sec. 3101. Findings

Sec. 3102. Consolidation of current programs as new International Market Development Program

Section 3102(a) amends section 205 of the Agricultural Trade Act of 1978 to create the International Market Development Program, a consolidation of the current Market Access Program, the Foreign Market Development Cooperator Program, the Technical Assistance for Specialty Crops Program, and the E. (Kika) De La Garza Emerging Markets Program.

Section 3102(b) amends section 211(c) to provide funding for the International Market Development Program subject to certain set-asides.

Section 3102(c) repeals the Market Access Program, the Foreign Market Development Cooperator Program, the Export Assistance Program for Specialty Crops, and the Emerging Markets Program.

Section 3102(d) makes conforming amendments.

SUBTITLE C—OTHER AGRICULTURAL TRADE LAWS

Sec. 3201. Local and regional food aid procurement projects

Section 3201 amends section 3206(e)(1) of the Food, Conservation, and Energy Act of 2008 to authorize appropriations for local and regional food aid procurements projects until 2023.

Sec. 3202. Promotion of agricultural exports to emerging markets

Section 3202 amends section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize funding for the promotion of agricultural exports to emerging markets through fiscal year 2023.

Sec. 3203. Bill Emerson Humanitarian Trust Act

Section 3203 amends section 302 of the Bill Emerson Humanitarian Trust Act to reauthorize the trust through 2023.

Sec. 3204. Food for Progress Act of 1985

Section 3204(a) amends section 1110 of the Food Security Act of 1985 to reauthorize the program until 2023.

Section 3204(b) amends section 1110(b)(5) of the Food Security Act of 1985 to include colleges and universities in the definition of “eligible entity”.

Section 3204(c) amends section 1110(o) of the Food Security Act of 1985 to ensure that all eligible commodities provided for in an agreement with an eligible entity are made available.

Sec. 3205. McGovern-Dole International Food for Education and Child Nutrition Program

Section 3205(a) amends section 3107(f)(1)(B) of the Farm Security and Rural Investment Act of 2002 to require that assistance coincides with the start of the school year, and is available when needed throughout the relevant school year.

Section 3205(b) amends section 3107(1)(2) of the Farm Security and Rural Investment Act of 2002 to authorize appropriations for the program through 2023.

Sec. 3206. Cochran fellowship program

Section 3206(a) amends section 1543(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 to permit study in foreign colleges or universities that have met certain criteria.

Section 3206(b) amends section 1543(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 to clarify that the purpose of the fellowship includes trade linkages involving regulatory systems governing sanitary and phyto-sanitary standards for agricultural products.

Sec. 3207. Borlaug fellowship program

Section 3207 amends section 1473G of the Food and Agriculture Act of 1977 to permit United States citizens to receive Borlaug fellowships in order to assist eligible countries in developing school-based agriculture and youth extension programs and to permit study in foreign colleges or universities that have met certain criteria. Further, section 3207 clarifies that training or study of fellowship recipients from eligible countries outside of the United

States shall occur in the United States, or at a qualified college or university outside of the United States. Finally, section 3207 authorizes appropriations of \$6,000,000 for the Borlaug fellowship program.

Sec. 3208. Global Crop Diversity Trust.

Section 3208 amends section 3202(b) of the Food, Conservation, and Energy Act of 2008 to limit the aggregate contribution of funds of the Federal Government to the trust to 33% and authorizes appropriations through 2023.

TITLE IV—NUTRITION

SUBTITLE A—SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Sec. 4001. Duplicative Enrollment Database

Subsection (a) of section 4001 amends the Food and Nutrition Act of 2008 by adding at the end, section 30 to establish the Duplicative Enrollment Database to be used by States when making eligibility determinations to prevent SNAP participants from receiving duplicative benefits in multiple States. Subsection (a) also requires the Secretary to publish an annual report using data submitted to the Database that analyzes SNAP participant characteristics including tenure on the program.

Subsection (b) amends section 11(e) of the Food and Nutrition Act of 2008 to require States to collect and submit SNAP participant data to the Duplicative Enrollment Database in accordance with guidance or rules issued by the Secretary that will be used by the Secretary to generate the annual reports required under subsection (a).

Sec. 4002. Retailer-Funded Incentives Pilot

Section 4002 amends the Food and Nutrition Act of 2008 (as amended by Section 4001) by adding at the end, section 31, which establishes a pilot project through which authorized retail food stores may provide bonuses to participating SNAP households based on household purchases of fruits, vegetables, and milk. Retail food stores participating in the pilot project may be reimbursed in an amount not to exceed 25 percent of the dollar value of bonuses earned by households and used to purchase SNAP-eligible foods. Section 4002 directs the Secretary to provide no more than \$120,000,000 annually for such reimbursements.

Sec. 4003. Gus Schumacher Food Insecurity Nutrition Incentive Program

Subsection (a) amends section 4405 of the Food, Conservation, and Energy Act of 2008 to rename the program the Gus Schumacher Food Insecurity Nutrition Incentive Program. The subsection also amends the program by limiting the program incentives to financial incentives, updating program priorities, and requiring the Secretary to consult with the Director of the National Institute of Food and Agriculture to establish a training, evaluation, and information center for use by program grantees. Subsection (a) reauthorizes the program through fiscal year 2023 and provides mandatory funding levels of \$45,000,000 for fiscal year 2019; \$50,000,000 for fiscal year 2020; \$55,000,000 for fiscal year

2021; \$60,000,000 for fiscal year 2022; and \$65,000,000 for 2023 and each fiscal year thereafter.

Subsection (b) makes a conforming amendment to the table of contents of the Food, Conservation, and Energy Act of 2008 to reflect the change of the program name made under subsection (a).

Sec. 4004. Re-evaluation of Thrifty Food Plan

Section 4004 amends section 3(u) of the Food and Nutrition Act of 2008 to, by 2022, and at five-year intervals, require a re-evaluation and publication of the Thrifty Food Plan.

Sec. 4005. Food distribution programs on Indian reservations.

Section 4005 amends section 4(b) of the Food and Nutrition Act of 2008 to strike surveying and reporting requirements regarding traditional foods, to include regionally-grown in addition to traditional and locally-grown foods, and to allow appropriated funds for the program to remain available for two fiscal years.

Sec. 4006. Update to categorical eligibility

Section 4006 amends section 5(a) and 5(j) of the Food and Nutrition Act of 2008 such that categorical eligibility may only be used in instances where a beneficiary is receiving either cash assistance or ongoing and substantial services such as transportation, childcare, counseling, or other services funded under part A of title IV of the Social Security Act with an income eligibility limit of not more than 130% (200% for elderly or disabled) of the poverty line.

Sec. 4007. Child support; cooperation with child support agencies

Subsection (a) of section 4007 amends section 5(e) of the Food and Nutrition Act of 2008, striking the State option to provide a deduction from income for child support payments, therefore requiring all states to provide an exclusion for child support payments.

Subsection (b) of section 4007 amends section 6(l)(1) and 6(m)(1) of the Food and Nutrition Act of 2008 to eliminate the State option of child support cooperation for custodial and noncustodial parents, thus requiring cooperation. Subsection (b) also strikes section 6(n), eliminating SNAP disqualification for child support arrears.

Sec. 4008. Basic allowance for housing

Subsection (a) amends section 5(d) of the Food and Nutrition Act of 2008 to exclude up to \$500 of a housing allowance received under section 403 of title 37 of the United States Code from any calculation of income when determining eligibility to participate in the supplemental nutrition assistance program.

Subsection (b) amends section 5(e)(6)(A) of the Food and Nutrition Act of 2008 so a household that receives the allowance covered by section 403 of title 37 of the United States Code can only claim expenses in excess of that allowance when determining the household's expenses for the excess shelter deduction.

Sec. 4009. Earned income deduction

Section 4009 amends section 5(e)(2)(B) of the Food and Nutrition Act of 2008 to increase from 20 to 22 the percentage of a household's earned income that may be deducted for purposes of calcu-

lating of income when determining eligibility to participate in the supplemental nutrition assistance program.

Sec. 4010. Simplified homeless housing costs

Section 4008 amends section 5(e)(6)(D) of the Food and Nutrition Act of 2008 to require that States provide a simplified homeless housing deduction of \$143, adjusted for inflation, for homeless individuals not receiving free housing during the month.

Sec. 4011. Availability of Standard Utility Allowances based on receipt of energy assistance

Subsection (a) of section 4011 amends section 5(e)(6)(C)(iv)(I) of the Food and Nutrition Act of 2008 by limiting the availability of the Standard Utility Allowance for heating and cooling costs to those households consisting of an elderly member. Subsection (a) also makes a conforming amendment to Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act.

Subsection (b) of section 4011 amends section 5(k)(4) of the Food and Nutrition Act of 2008 so that third party energy assistance payments are considered money payable directly to households without an elderly member for purposes of calculating exclusions to income, and are no longer considered out-of-pocket expenses for such households for determination of the excess shelter expense deduction.

Sec. 4012. Adjustment to asset limitations

Section 4012 amends section 5(g)(1) of the Food and Nutrition Act of 2008 by increasing from \$2,000 to \$7,000 the maximum allowable value of assets for participating households, and from \$3,000 to \$12,000 for households including an elderly or disabled member. Such levels shall be adjusted for inflation.

Sec. 4013. Updated vehicle allowance

Section 4013 amends section 5(g) of the Food and Nutrition Act of 2008 to require all States to exclude \$12,000 (adjusted annually for inflation) of the value of one vehicle per licensed driver from household asset calculations. The section also strikes the alternative vehicle allowance.

Sec. 4014. Savings excluded from assets

Section 4014 amends section 5(g) of the Food and Nutrition Act of 2008 to exclude up to \$2,000 (adjusted annually for inflation) in savings from household assets in determining eligibility for the supplemental nutrition assistance program.

Sec. 4015. Workforce solutions

Subsection (a) of section 4015 amends section 6(d) of the Food and Nutrition Act of 2008 to require individuals age 18 to 59 to work, participate in employment and training or a work program, or any combination of work, participation in employment and training or a work program a minimum of 20 hours per week in fiscal years 2021 through 2025 and 25 hours per week in fiscal year 2026 and each fiscal year thereafter. The subsection also establishes a two-year transition period for State implementation and enforcement of the updated work requirement; establishes a revised ineli-

gibility process allowing one month for initial compliance, requiring a 12-month ineligibility period for the first violation of the work requirement, and a 36-month ineligibility period for subsequent violations unless an individual obtains employment sufficient to meet the hourly requirement or is no longer subject to the work requirements at an earlier time; modifies the criteria that States may use to request a geographic waiver of the work requirements; updates the “15-percent” exemption criteria and process; strikes provisions related to the selection of a head of household; requires States to offer minimum services in employment and training (including offering case management services) so that every covered individual may meet the work requirements, and updates components of employment and training programs.

Subsection (b) of 4015 makes conforming amendments to section 5(d)(14) of the Food and Nutrition Act of 2008, section 51(d)(8)(A)(ii) of the Internal Revenue Code of 1986; and sections 103(a)(2) and 121(b)(2)(B) of the Workforce Innovation and Opportunity Act.

Subsection (c) of section 4015 amends section 6(e)(5) of the Food and Nutrition Act of 2008 to exempt from the work requirement students who are caretakers of an incapacitated person. The subsection also strikes section 6(o) pertaining to the current ABAWD time limit and accompanying waivers and exemptions.

Subsection (d) of section 4015 makes conforming amendments to Section 6 and 7(i)(1) of the Food and Nutrition Act of 2008.

Subsection (e) of section 4015 amends section 11(e)(19) of the Food and Nutrition Act of 2008 to update the information required in the State plan regarding employment and training.

Subsection (f) of section 4015 amends section 16(h) of the Food and Nutrition Act of 2008 to provide \$250,000,000 in fiscal year 2020 and \$1,000,000,000 for each fiscal year thereafter for employment and training programs; adjusts the minimum allocation for each state to not less than \$100,000; and reserves up to \$150,000,000 each year for eligible providers under section 122 of the Workforce Innovation and Opportunity Act who provide services for supplemental nutrition assistance program participants to meet work requirements.

Subsections (g) and (h) of section 4015 repeals section 16(b) and section 20 of the Food and Nutrition Act of 2008, and makes related conforming amendments.

Sec. 4016. Modernization of Electronic Benefit Transfer regulations

Section 4015 amends section 7(h)(2) of the Food and Nutrition Act of 2008 to allow for periodic review of EBT regulations taking into account evolving technology, recipient access and ease of use, and alternatives for securing transactions.

Sec. 4017. Mobile technologies

Section 4017 amends section 7(h)(14) of the Food and Nutrition Act of 2008 to require the availability of use of mobile technologies for the redemption of supplemental nutrition assistance program benefits pending the completion of up to five authorized demonstration projects, unless the Secretary makes a determination that implementation requires further study, or is not in the best interest of the supplemental nutrition assistance program. If the Secretary

makes such a determination, a report must be submitted to Congress that justifies the finding.

Sec. 4018. Processing fees

Subsection (a) of section 4018 amends section 7(h)(13) of the Food and Nutrition Act of 2008 to affirm that neither a State, nor any agent, contractor, or subcontractor can charge any fee for switching or routing supplemental nutrition assistance program benefits.

Subsection (b) of section 4018 makes a conforming amendment to define the term “switching” within section 7(j)(1)(H) of the Food and Nutrition Act of 2008.

Sec. 4019. Replacement of EBT cards

Section 4019 amends section 7(h)(8)(B)(ii) of the Food and Nutrition Act of 2008 to require the head of household to review program rights and responsibilities after two or more lost cards in a 12-month period.

Sec. 4020. Benefit recovery

Section 4019 amends section 7(h)(12) of the Food and Nutrition Act of 2008 to adjust benefit storage from six to three months and benefit expungement from 12 to six months, or upon verification that all members of a household are deceased.

Sec. 4021. Requirements for online acceptance of benefits

Subsection (a) of section 4020 amends section 3(o)(1) of the Food and Nutrition Act of 2008 to include online entities within the definition of “retail food store”.

Subsection (b) of section 4020 amends section 7(k) of the Food and Nutrition Act of 2008 to strike the required report to Congress, and require the nationwide implementation of the online acceptance of benefits.

Sec. 4022. National gateway

Subsection (a) of Section 4022 amends section 7(d) of the Food and Nutrition Act of 2008 to expand the parties for which the Secretary shall implement controls over related to the delivery of benefits. The subsection also adds a section 7(l) to the Food and Nutrition Act of 2008 to require the routing of all SNAP transactions through a national gateway for the purposes of transaction validation and settlement, pending completion of a feasibility study; provides funds of \$10,500,000 in fiscal year 2019 and \$9,500,000 in fiscal years 2020 through 2023; requires that the national gateway be sustained through the payment of fees by benefit issuers and third-party processors to the gateway operator, and requires the Secretary to monitor such fees.

Subsection (b) of Section 4022 amends section 9(c) of the Food and Nutrition Act of 2008 to require retail food stores and wholesale food concerns to submit contracts for electronic benefit transfer services and equipment and records necessary to validate the FNS authorization number.

Sec. 4023. Access to State systems

Section 4023 amends sections 11(a)(3)(B) and 16 of the Food and Nutrition Act of 2008 to require that all State records and the entire information systems in which the records are contained are made available for inspection and audit by the Secretary, subject to security protocols agreed to by the State and the Secretary, for purposes of program oversight.

Sec. 4024. Transitional benefits

Section 4024 amends section 11(s) of the Food and Nutrition Act of 2008 by requiring states to offer transitional benefits for households that cease to receive cash assistance, for five months after the date on which cash assistance is terminated.

Sec. 4025. Incentivizing technology modernization

Section 4025 amends section 11(t) of the Food and Nutrition Act of 2008 to limit grants to funding for simplified supplemental nutrition assistance program application and eligibility determination systems, and to update the allowed types of projects.

Sec. 4026. Supplemental Nutrition Assistance Program Benefit Transfer Transaction Data Report

Section 4026 amends section 9 of the Food and Nutrition Act of 2008 to require the Secretary, not more often than every two years, to collect a sample of retail food store transaction data to be summarized and reported in a manner that prevents identification of individual retail food store chains and SNAP participants.

Sec. 4027. Adjustment to percentage of recovered funds retained by States

Section 4027 amends section 16(a) of the Food and Nutrition Act of 2008 to increase from 35 to 50 percent the amount of recovered funds States are permitted to retain, and authorizes such funds to be used for supplemental nutrition assistance program investments in technology, improvements in administration and distribution, and actions to prevent fraud.

Sec. 4028. Tolerance level for payment errors

Section 4028 amends section 16(c)(1) of the Food and Nutrition Act of 2008 to adjust the tolerance level for payment errors from \$37 to \$0.

Sec. 4029. State performance indicators

Section 4029 amends section 16(d) of the Food and Nutrition Act of 2008 to repeal bonuses for States that demonstrate high or most improved performances for fiscal year 2018 and each fiscal year thereafter, while retaining requirements regarding performance criteria including actions taken to correct payment errors, reduce error rates, and improve eligibility determinations.

Sec. 4030. Public-private partnerships

Section 4030 amends Section 17 of the Food and Nutrition Act by permitting not more than 10 pilot projects to support public-private partnerships that address food insecurity and poverty. The

section authorizes appropriations of \$5,000,000 to carry out the projects, to remain available until expended.

Sec. 4031. Authorization of appropriations

Section 4031 amends section 18(a)(1) of the Food and Nutrition Act of 2008 to extend the authorization of appropriations through 2023.

Sec. 4032. Emergency food assistance

Section 4032 amends section 27(a) of the Food and Nutrition Act of 2008 to provide \$60,000,000 in funding for fiscal years 2019 through 2023, and to establish a Farm-to-Food-Bank fund through which \$20,000,000 of the funds made available in the section are distributed to States to be used to procure, or to enter into agreements with food banks to procure excess fresh fruits and vegetables grown in the State or surrounding region to be provided to eligible recipient agencies under Section 201A(3) of the Emergency Food Assistance Act of 1983.

Sec. 4033. Nutrition education

Subsection (a) of section 4033 amends section 28 of the Food and Nutrition Act of 2008 to define 1862 and 1890 institutions as eligible institutions for purposes of carrying out the program; directs the Secretary, acting through the Administrator of the National Institute of Food and Agriculture, in consultation with the Administrator of the Food and Nutrition Service, to implement the program; requires eligible institutions to the extent practicable, to provide for the employment and training of professional and paraprofessional aides from the target population to engage in direct nutrition education, and to partner with other public and private entities as appropriate to optimize program delivery; increases mandatory funding for the program to \$485,000,000 beginning in fiscal year 2019; authorizes additional appropriations for the program of \$65,000,00 for fiscal years 2019 through 2023; updates the allocation of funds so that, beginning in fiscal year 2019, funds are allocated based solely on States' SNAP populations; and limits administrative costs for eligible institutions to 10 percent.

Subsection (b) of section 4033 amends section 18(a)(3)(A)(ii) to reflect the repeal of the Expanded Food and Nutrition Education Program by section 7110 of this Act.

Sec. 4034. Retail food store and recipient trafficking.

Section 4034 amends section 29(c)(1) of the Food and Nutrition Act of 2008 to extend funding through 2023.

Sec. 4035. Technical corrections.

Section 4035 makes technical corrections to sections 3, 5, 8, 10, 11, 15, 17, 25, and 26 of the Food and Nutrition Act of 2008.

Sec. 4036. Implementation funds

Section 4036 provides, out of any funds made available under section 18(a) of the Food and Nutrition Act of 2008 for fiscal year 2019, \$150,000,000, to remain available until expended to be used by the Secretary in carrying out the amendments made by Subtitle A.

SUBTITLE B—COMMODITY DISTRIBUTION PROGRAMS

Sec. 4101. Commodity Distribution Program

Section 4101 amends section 4(a) of the Agriculture and Consumer Protection Act of 1973 to extend the authority for the Secretary to purchase and distribute agricultural commodities through 2023.

Sec. 4102. Commodity Supplemental Food Program

Section 4102 amends section 5 of the Agriculture and Consumer Protection Act of 1973 to provide funding to allow the Secretary to continue to carry out the Commodity Supplemental Food Program through 2023.

Sec. 4103. Distribution of surplus commodities to special nutrition projects

Section 4103 amends section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 to reauthorize the program through 2023.

SUBTITLE C—MISCELLANEOUS

Sec. 4201. Purchase of fresh fruits and vegetables for distribution to schools and service institutions

Section 4201 amends section 10603(b) of the Farm Security and Rural Investment Act of 2002 to extend funding through 2023.

Sec. 4202. Seniors Farmers' Market Nutrition Program

Section 4202 amends section 4402(a) of the Farm Security and Rural Investment Act of 2002 to extend funding through 2023.

Sec. 4203. Healthy Food Financing Initiative

Section 4203 amends section 243(d) of the Department of Agriculture Reorganization Act of 1994 to extend the existing authorization of appropriations until October 1, 2023.

Sec. 4204. Amendments to the Fruit and Vegetable School Lunch Program

Section 4204 amends Section 19 of the Richard B. Russell National School Lunch Act to provide grants for providing fresh, canned, frozen, and pureed fruits and vegetables in elementary schools.

TITLE V—CREDIT

SUBTITLE A—FARM OWNERSHIP LOANS

Sec. 5101. Modification of the 3-year experience eligibility requirement for farm ownership loans

Section 5101 amends Section 302(b) of the Consolidated Farm and Rural Development Act to expand eligibility for direct farm ownership loans by adding a list of criteria that can be deemed adequate for an applicant to meet or reduce the necessary experience requirements.

Sec. 5102. Conservation loan and loan guarantee program

Section 5101 amends Section 304(h) of the Consolidated Farm and Rural Development Act to reauthorize appropriations of \$75,000,000 for the program for each fiscal year through fiscal year 2023.

Sec. 5103. Farm ownership loan limits

Section 5103 amends Section 305(a) of the Consolidated Farm and Rural Development Act to increase the maximum allowable indebtedness for guaranteed loans, from \$700,000 to \$1,750,000 adjusted for inflation beginning in fiscal year 2019.

SUBTITLE B—OPERATING LOANS

Sec. 5201. Limitations on amount of operating loans

Section 5201 amends Section 313(a) of the Consolidated Farm and Rural Development Act to increase the maximum allowable indebtedness for guaranteed loans, from \$700,000 to \$1,750,000 adjusted for inflation beginning in fiscal year 2019.

Sec. 5202. Microloans

Section 5202 amends Section 313(c)(2) of the Consolidated Farm and Rural Development Act to clarify that the \$50,000 indebtedness for microloans is limited to the specific subsection rather than the title.

SUBTITLE C—ADMINISTRATIVE PROVISIONS

Sec. 5301. Beginning farmer and rancher individual development accounts pilot program

Section 5301 amends Section 333B(h) of the Consolidated Farm and Rural Development Act to reauthorize appropriations of \$5,000,000 for the program for each fiscal year through fiscal year 2023.

Sec. 5302. Loan authorization levels

Section 5302 amends Section 346(b)(1) of the Consolidated Farm and Rural Development Act to reauthorize existing funding levels for loan programs through 2023.

Sec. 5303. Loan fund set-asides

Section 5303 amends Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act to extend the 50% operating loan funds set aside for qualified beginning farmers and ranchers through 2023.

SUBTITLE D—TECHNICAL CORRECTIONS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Sec. 5401. Technical corrections to the Consolidated Farm and Rural Development Act

Section 5401(a) amends Section 310E(d)(3) of the Consolidated Farm and Rural Development Act to clarify Congressional intent and resolve ambiguity from prior amendments to the Act.

Section 5401(b) amends Section 321(a) of the Consolidated Farm and Rural Development Act to clarify Congressional intent and resolve ambiguity from prior amendments to the Act.

Section 5401(c) amends Section 331D(e) of the Consolidated Farm and Rural Development Act to clarify Congressional intent and execute a prior amendment that could not be executed because of technical errors.

Section 5401(d) amends Section 333A(f)(1)(A) of the Consolidated Farm and Rural Development Act to correct an erroneous reference.

Section 5401(e) amends Section 339(d)(3) of the Consolidated Farm and Rural Development Act to capitalize a defined term to conform with other references to such term.

Section 5401(f) amends Section 343(a)(11)(C) of the Consolidated Farm and Rural Development Act to clarify Congressional intent and conform phrasing within the section.

Section 5401(g) amends Section 343(b) of the Consolidated Farm and Rural Development Act to correct an erroneous reference.

Section 5401(h) amends Section 346(a) of the Consolidated Farm and Rural Development Act by striking an errant comma.

SUBTITLE E—AMENDMENTS TO THE FARM CREDIT ACT OF 1971

Sec. 5501. Elimination of obsolete references

Section 5501(a) amends Section 1.2(a) of the Farm Credit Act of 1971 to update the list of Farm Credit System institutions to include Agricultural Credit Banks, Agricultural Credit Associations, the Federal Farm Credit Banks Funding Corporation, Federal land credit associations, service corporations, and the Federal Agricultural Mortgage Corporation.

Section 5501(b) repeals Section 2.4(d) of the Farm Credit Act of 1971 which applies to a unique chartering situation that has been resolved.

Section 5501(c) amends Section 3.0 of the Farm Credit Act of 1971 to remove an obsolete reference to the Central Bank for Cooperatives and the required location of such bank.

Section 5501(d) amends Section 3.2(a)(1) of the Farm Credit Act of 1971 to strike an obsolete reference to the United Bank of Cooperatives and National Bank of Cooperatives and clarifies the applicability of section 7.12(c) to merged banks for cooperatives.

Section 5501(e) amends Section 3.2(a)(2)(A) of the Farm Credit Act of 1971 to strike an obsolete reference to the National Bank for Cooperatives.

Section 5501(f) amends Section 3.2 of the Farm Credit Act of 1971 to repeal subsection (b) regarding requirements for the board of directors of the now-obsolete Central Bank for Cooperatives.

Section 5501(g) amends Section 3.5 of the Farm Credit Act of 1971 to strike an obsolete reference to district banks.

Section 5501(h) amends Section 3.7(a) of the Farm Credit Act of 1971 to strike an obsolete reference to the Central Bank for Cooperatives.

Section 5501(i) amends Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 to update an obsolete reference to the Rural Electrification Administration.

Section 5501(j) amends Section 3.9(a) of the Farm Credit Act of 1971 to strike an obsolete reference to the Central Bank for Cooperatives.

Section 5501(k) amends Section 3.10(c) of the Farm Credit Act of 1971 to strike an obsolete reference to the Central Bank for Cooperatives.

Section 5501(l) amends Section 3.10(d) of the Farm Credit Act of 1971 to strike an obsolete reference to district banks.

Section 5501(m) amends Section 3.11 of the Farm Credit Act of 1971 in subsection (b) by striking an obsolete reference to district banks and by striking subsection (c) which includes an obsolete reference to the Central Bank for Cooperatives.

Section 5501(n) amends the heading for part B of title III of the Farm Credit Act of 1971 to strike an obsolete reference to the United Bank for Cooperatives.

Section 5501(o) amends Section 3.20(a) of the Farm Credit Act of 1971 to strike an obsolete reference to the United Bank for Cooperatives.

Section 5501(p) amends Section 3.20(b) of the Farm Credit Act of 1971 to update obsolete references to the Central Bank for Cooperatives and district banks.

Section 5501(q) repeals Section 3.21 of the Farm Credit Act of 1971 regarding the obsolete requirements for the board of directors for consolidated banks.

Section 5501(r) amends Section 3.28 of the Farm Credit Act of 1971 to update an obsolete reference to the Central Bank for Cooperatives.

Section 5501(s) repeals Section 3.29 from the Farm Credit Act of 1971 regarding an obsolete reporting requirement for merged banks for cooperatives.

Section 5501(t) repeals Section 4.0 of the Farm Credit Act of 1971 regarding the now-defunct revolving fund made available to the Farm Credit Administration and to the now-defunct Assistance Board.

Section 5501(u) amends Section 4.8 of the Farm Credit Act of 1971 by striking subsection (b) regarding an expired authority.

Section 5501(v) amends Section 4.9(d)(2) of the Farm Credit Act of 1971 to prohibit representation from the Farm Credit System Insurance Corporation on the board of directors of the Federal Farm Credit Banks Funding Corporation.

Section 5501(w) repeals Section 4.9(e) of the Farm Credit Act of 1971 to eliminate obsolete transitional authority regarding the Federal Farm Credit Banks Funding Corporation.

Section 5501(x) amends Section 4.9A(c) of the Farm Credit Act of 1971 to remove obsolete provisions and update references within a provision regarding the retirement of eligible borrower stock at par value.

Section 5501(y) amends Section 4.12A(a)(1) of the Farm Credit Act of 1971 to update references within a provision regarding request for stockholder lists.

Section 5501(z) amends Section 4.14A(a) of the Farm Credit Act of 1971 to add a cross-reference to section 4.36.

Section 5501(aa) amends Section 4.14A of the Farm Credit Act of 1971 to strike an outdated reference and repeal subsection (h) regarding an expired reporting requirement.

Section 5501(bb) repeals Section 4.14C of the Farm Credit Act of 1971 regarding loan restructuring by a Farm Credit System institution that was receiving financial assistance from the now-defunct Assistance Board.

Section 5501(cc) amends Section 4.17 of the Farm Credit Act of 1971 to strike an obsolete reference to “Federal intermediate credit banks”.

Section 5501(dd) amends Section 4.19(a) of the Farm Credit Act of 1971 to strike obsolete references.

Section 5501(ee) amends Section 4.38 of the Farm Credit Act of 1971 to remove an obsolete reference to the now-defunct Assistance Board.

Section 5501(ff) amends Section 5.17(a)(2) of the Farm Credit Act of 1971 to strike a reference to an obsolete situation.

Section 5501(gg) repeals Section 5.18 of the Farm Credit Act of 1971 which sunset 12 months after enactment of the Farm Credits Amendments Act of 1985.

Section 5501(hh) amends Section 5.19(a) of the Farm Credit Act of 1971 to remove language that authorizes the Farm Credit Administration to examine Federal land bank associations less frequently than other Farm Credit System institutions.

Section 5501(ii) amends Section 5.19(b) of the Farm Credit Act of 1971 to strike obsolete authorities that have sunset and a provision regarding the now-defunct Assistance Board.

Section 5501(jj) amends Section 5.35(4) of the Farm Credit Act of 1971 to strike obsolete references to dates and to the now-defunct Assistance Board.

Section 5501(kk) amends Section 5.38 of the Farm Credit Act of 1971 to remove obsolete references including a reference to the now-defunct farm credit district board.

Section 5501(ll) repeals Section 5.44 of the Farm Credit Act of 1971 regarding an obsolete requirement for a GAO report.

Section 5501(mm) amends Section 5.58(2) of the Farm Credit Act of 1971 to remove obsolete references to the now-defunct Assistance Board.

Section 5501(nn) amends Title VI of the Farm Credit Act of 1971 to repeal Subtitle A which authorizes the now-defunct Assistance Board.

Section 5501(oo) amends Subtitle B of the Farm Credit Act of 1971 to insert section 6.32 to authorize the termination of the Subtitle on December 31, 2018.

Section 5501(pp) amends Section 7.9 of the Farm Credit Act of 1971 to repeal subsection (c) regarding an obsolete authority for stockholders to seek reconsideration of association mergers.

Section 5501(qq) amends Section 7.10(a)(4) of the Farm Credit Act of 1971 to remove an obsolete reference.

Section 5501(rr) amends Section 8.0(2) of the Farm Credit Act of 1971 to update the definition of “board” to reflect its meaning in Section 8.2.

Section 5501(ss) makes conforming amendments to Section 8.0 of the Farm Credit Act of 1971.

Section 5501(tt)(1) amends Section 8.2 of the Farm Credit Act of 1971 to repeal subsection (a), which pertains the now-defunct interim board of Farmer Mac, amend subsection (b)(1) to remove obsolete transition provisions, repeal subsection (b)(3) which pertains

to the timing of the initial selection of the permanent board, and to make necessary conforming amendments.

Section 5501(tt)(2) amends Section 8.4(a)(1) of the Farm Credit Act of 1971 to move a provision from the deleted paragraph (9) of section 8.2 regarding the offering and distribution of voting common stock of Farmer Mac to paragraph (1) of Section 8.4(a) and to make necessary and conforming amendments.

Section 5501(uu) amends Section 8.6 of the Farm Credit Act of 1971 to repeal now-obsolete subsection (d).

Section 5501(vv) amends Section 8.32(a) of the Farm Credit Act of 1971 to remove outdated transition periods.

Section 5501(ww) amends Section 8.35 of the Farm Credit Act of 1971 to repeal now-obsolete subsection (e).

Section 5501(xx) repeals now-obsolete Section 8.38 of the Farm Credit Act of 1971.

Sec. 5502. Conforming repeals

Section 5502(a) amends the Agricultural Marketing Act to repeal now-obsolete Sections 4, 5, 6, 7, 8, 14, and 15 regarding the operation of the Farm Credit Administration.

Section 5502(b) repeals the Act of June 22, 1939 which provided terms for loans from the now-defunct Farm Credit Administration revolving fund.

Section 5502(c) amends Section 201 of the Emergency Relief and Construction Act of 1932 by repealing subsection (e) which provides conditions for the now-obsolete structure of the Farm Credit System.

Section 5502(d) amends the Act of July 14, 1953 to repeal section 2 which provides certain terms and conditions for loans for which the authorization was repealed in 1961.

Section 5502(e) amends the Farm Credit Act of 1937 to repeal sections 32 through 34 which relate to the now-defunct regional agricultural credit corporations.

Section 5502(f) amends the Act of March 3, 1932 by repealing sections 1 through 4 which relate to the now-obsolete authority for the Governor of the Farm Credit Administration to make loans to the now-defunct local agricultural-credit corporations and livestock-loan companies.

Sec. 5503. Facility headquarters

Section 5503 amends Section 5.16 of the Farm Credit Act of 1971 by moving language regarding the location of the Farm Credit Administration headquarters from Section 4 of the Agricultural Marketing Act to Section 5.16(a) of the Farm Credit Act of 1971.

Sec. 5504. Sharing privileged and confidential information

Section 5504 amends Section 5.19 of the Farm Credit Act of 1971 by inserting a new subsection (e) which provides authority for Farm Credit System institutions to provide privileged communications they have with attorneys or accountants to the Farm Credit Administration without losing the ability assert the privilege with respect to others.

Sec. 5505. Scope of jurisdiction

Section 5505 amends title V of the Farm Credit Act of 1971 by inserting a new section 5.31A which provides authority for the Farm Credit Administration to hold “institution-affiliated parties” accountable for violations of laws and regulations governing the Farm Credit System even after such individuals and entities are no longer an “institution-affiliated party.”

Sec. 5506. Definition

Section 5506 amends Section 5.35 of the Farm Credit Act of 1971 to define “institution-affiliated party.”

Sec. 5507. Expansion of acreage exception to loan amount limitation

Section 5507 amends Section 8.8(c)(2) of the Farm Credit Act of 1971 by increasing from 1,000 to 2,000 the acreage limitation under the acreage exception applicable to qualified loans under Section 8.8. The amendment does not become effective until one year after the Farm Credit Administration submits to Congress a study indicating the feasibility of such an increase.

Sec. 5508. Compensation of bank directors

Section 5508 repeals Section 4.21 of the Farm Credit Act of 1971 which relates the compensation of members of boards of directors of Farm Credit System banks.

Sec. 5509. Prohibition on use of funds

Section 5509 amends section 5.65 of the Farm Credit Act of 1971 to insert new subsection (e) to clarify that no funds from administrative accounts from the Farm Credit Insurance Fund may be used by the Corporation to provide assistance to the Federal Agricultural Mortgage Corporation, or to support any activities related to the Federal Agricultural Mortgage Corporation.

SUBTITLE F—MISCELLANEOUS

Sec. 5601. State agricultural mediation programs

Section 5601 amends Section 506 of the Agricultural Credit Act of 1987 to extend the authorization of appropriations of \$7,500,000 for each fiscal year to carry out the program through 2023.

Sec. 5602. Study on loan risk

Section 5602 requires that the Farm Credit Administration conduct a study that analyzes and compares the financial risks inherent in loans made, held, securitized, or purchased by Farm Credit banks, associations, and the Federal Agricultural Mortgage Corporation, and how such risks are required to be capitalized under current statute and regulations, and that assesses the feasibility of increasing the acreage exception provided in section 8.8(c)(2) of the Farm Credit Act of 1971 to 2,000 acres. The results of the study must be shared with Congress no later than 180 days after enactment of this provision.

TITLE VI—RURAL INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

SUBTITLE A—IMPROVING HEALTH OUTCOMES IN RURAL COMMUNITIES

Sec. 6001. Prioritizing projects to meet health crises in rural America

Section 6001(a) amends Title VI of the Rural Development Act of 1972 to include a new section which provides the Secretary the authority to announce a renewable, one-year, temporary reprioritization for certain rural development loan and grant applications to assist rural communities in responding to a specific rural health emergency. It requires the Secretary to issue an announcement that specifies the emergency, and to provide notice to the relevant congressional committees and the Secretary of Health and Human Services.

Section 6001(b) amends Section 2333(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 to provide that, pursuant to an announcement under subsection (a), at least 10 percent of Distance Learning and Telemedicine Program funds are reserved for projects that address the rural health emergency.

Section 6001(c) amends Section 306(a) of the Consolidated Farm and Rural Development Act to provide that, pursuant to an announcement under subsection (a), Community Facilities Program funds may be prioritized for projects that address the rural health emergency, including facilities that provide prevention, treatment, and recovery services.

Section 6001(d) amends Section 502(i) of the Rural Development Act of 1972 to provide that, pursuant to an announcement under subsection (a), Rural Health and Safety Education Program funds may be prioritized for projects that address the rural health emergency.

Sec. 6002. Distance learning and telemedicine

Section 6002 amends section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 by increasing the authorization of appropriations to \$82,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6003. Reauthorization of the Farm and Ranch Stress Assistance Network

Section 6003 amends Section 7522 of the Food, Conservation, and Energy Act of 2008 by making technical changes, providing for new reporting requirements, and reauthorizing the program through 2023.

Sec. 6004. Supporting agricultural association health plans

Section 6004(a) establishes a new loan and grant program to assist in the establishment of agricultural association health plans.

Section 6004(b) provides the Secretary with the authority to make not more than 10 loans for the purposes of establishing agricultural association health plans, and provides for the terms of such loans.

Section 6004(c) provides the Secretary with the authority to make grants for the purposes of providing technical assistance in establishing agricultural association health plans.

Section 6004(d) authorizes a one-time appropriation of \$65,000,000 to be available until expended from 2019 through 2022.

Section 6004(e) provides the definitions for terms used in this section.

SUBTITLE B—CONNECTING RURAL AMERICANS TO HIGH SPEED
BROADBAND

Sec. 6101. Establishing forward-looking broadband standards

Section 6101 amends Section 601 of the Rural Electrification Act of 1936 to require the Secretary to promulgate a current minimum acceptable standard of broadband service, as well as projections of minimum acceptable standards of service for 5, 10, 15, 20, and 30 years into the future. The section further prohibits the Secretary from making any loan to finance a project that cannot meet the projected minimum acceptable standard of service equal to the length of the loan. This section also allows the Secretary and the applicant to agree to substitute standards if the standards are cost-prohibitive to meet. Finally, it requires the Secretary to require, for the lifetime of the loan, that the project is capable of meeting either the minimum standard currently in effect or the projected standard in place at the time the loan was agreed to.

Sec. 6102. Incentives for hard to reach communities

Section 6102 amends Title VI of the Rural Electrification Act of 1936 to include a new section that creates a grant program for borrowers under Title I, II, or VI of the Rural Electrification Act who are financing rural broadband projects that provide retail service. The section establishes a density formula used to qualify for certain grant amounts. The section provides that applicants which meet certain maximum density thresholds are eligible for a grant to be an increasing percentage of the total award.

Sec. 6103. Requiring guaranteed broadband lending

Section 6103 amends section 601(c)(1) of the Rural Electrification Act of 1936 to require the Secretary to provide both a direct lending program and a guaranteed lending program to finance rural broadband projects.

Sec. 6104. Smart utility authority for broadband

Section 6104(a) amends section 331 of the Consolidated Farm and Rural Development Act to allow a recipient of certain grants, loans, or loan guarantees to use not more than 10 percent of the amount for rural broadband infrastructure projects, including both retail and non-retail activities.

Section 6104(b) amends Title I of the Rural Electrification Act of 1936 include a new section to allow a recipient of certain grants, loans or loan guarantees to set aside not more than 10 percent of the amount for retail broadband service. This subsection requires that any funds used for retail broadband service must meet the minimum acceptable level of broadband service.

Sec. 6105. Modifications to the Rural Gigabit Program

Section 6105 amends section 603 of the Rural Electrification Act of 1936 to authorize the Innovative Broadband Advancement Program, in place of the Rural Gigabit Network Pilot Program, from 2019 through 2023. It provides grants, loans or both to eligible entities for the purpose of demonstrating innovative broadband technologies or methods of broadband deployment that significantly reduce the cost of broadband deployment. Finally, this section provides for eligibility requirements and prioritization of awarding assistance.

Sec. 6106. Unified broadband reporting requirements

Section 6106 amends section 601(j) and (k)(2) of the Rural Electrification Act of 1936 to require the Secretary to submit a single report to Congress describing all the broadband financing activities administered by the Secretary.

Sec. 6107. Improving access by providing certainty to broadband borrowers

Section 6107(a) amends title II of the Rural Electrification Act of 1936 to permit the Secretary to obligate funds to approved applications while conditioning the disbursement of funds on the successful completion of environmental, historic, or other reviews of the project. Further, it permits the Secretary to deobligate funds if the reviews cannot be completed in a reasonable amount of time.

Section 6107(b) amends section 601(d) of the Rural Electrification Act of 1936 to permit the Secretary to obligate funds to approved applications while conditioning the disbursement of funds on the successful completion of environmental, historic, or other reviews of the project. Further, it permits the Secretary to deobligate funds if the reviews cannot be completed in a reasonable amount of time.

Sec. 6108. Simplified application window

Section 6108 amends section 601(c)(2)(A) of the Rural Electrification Act of 1936 to require the Secretary to require one application period per year for the broadband loan program.

Sec. 6109. Elimination of requirement to give priority to certain applicants

Section 6109 amends section 601(c)(2) of the Rural Electrification Act of 1936 to eliminate an unused priority category.

Sec. 6110. Modification of buildout requirement

Section 6110 amends section 601(d)(1)(A)(iii) of the Rural Electrification Act of 1936 to provide 5 years for applicants to complete the buildout of a project financed under this section.

Sec. 6111. Improving borrower refinancing options

Section 6111(a) amends section 201 of the Rural Electrification Act of 1936 to permit the Telephone Loan Program to refinance loans made under section 601 of this Act.

Section 6111(b) amends section 601(i) of the Rural Electrification Act of 1936 to permit the Broadband Loan Program to refinance other telecommunications loans made under this Act.

Sec. 6112. Elimination of unnecessary reporting requirements

Section 6112 amends section 601(d)(8)(A)(ii) of the Rural Electrification Act of 1936 to eliminate certain reporting requirements on borrowers.

Sec. 6113. Access to broadband telecommunications services in rural areas

Section 6113(1) amends section 601(k) of the Rural Electrification Act of 1936 by increasing the authorization of appropriations to \$150,000,000 for each of fiscal years 2019 through 2023 and reauthorizing the program through fiscal year 2023.

Section 6113(2) amends section 601(l) of the Rural Electrification Act of 1936 by delaying the termination of authority to make loans and loan guarantees until September 30, 2023.

Sec. 6114. Effective date

Section 6114(a) provides that amendments made by this subtitle shall not take effect until the Secretary has issued final regulations to implement the amendments.

Section 6114(b) provides that the Secretary has 90 days after the date of enactment of this Act to finalize regulations to implement the amendments made by sections 6101 and 6102.

SUBTITLE C—CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Sec. 6201. Strengthening regional economic development incentives

Section 6201 amends section 379H of the Consolidated Farm and Rural Development Act to require the Secretary to reserve a portion of funds for projects that support the implementation of a strategic community investment plan and to sets forth the requirements for such plans. It requires the Secretary provide technical assistance to communities in developing strategic community investment plans. Finally this section provides an authorization of appropriations \$5,000,000 for each fiscal year until 2023 for the purposes of carrying out the technical assistance.

Sec. 6202. Expanding access to credit for rural communities

Section 6202(a) amends section 343(a)(13) of the Consolidated Farm and Rural Development Act to ensure that any community that meets the definition of “rural” or “rural area” is eligible for guaranteed loans for certain programs.

Section 6202(b) amends section 601(b)(3)(A)(ii) of the Rural Electrification Act of 1936 to ensure that any community that meets the definition of “rural” or “rural area” is eligible for guaranteed loans in the rural broadband program.

Sec. 6203. Providing for additional fees for guaranteed loans

Section 6203(a) amends section 333D(b) of the Consolidated Farm and Rural Development Act to require the Secretary to collect loan fees on insured or guaranteed loans in amounts that when combined with any appropriated funds equal the subsidy on such loans.

Section 6203(b) amends section 601(c) of the Rural Electrification Act of 1936 to require the Secretary to collect fees on loan guaran-

tees in amounts that when combined with any appropriated funds equal the subsidy on such guarantees.

Sec. 6204. Water, waste disposal, and wastewater facility grants

Section 6204 amends section 306(a)(2)(B) of the Consolidated Farm and Rural Development Act by increasing the maximum amount for revolving funds for financing water and wastewater projects to \$200,000 while decreasing the authorization of appropriations to \$15,000,000 for each fiscal year and reauthorizing the program until 2023.

Sec. 6205. Rural water and wastewater technical assistance and training programs

Section 6204(a) amends section 306(a)(14)(A) of the Consolidated Farm and Rural Development Act to permit the Secretary to provide grants to entities which assist eligible rural water systems with long term sustainability planning.

Section 6204(b) amends section 306(a)(14)(C) of the Consolidated Farm and Rural Development Act to increase the set-aside of funds to 3 to 5 percent of funds appropriated.

Sec. 6206. Rural water and wastewater circuit rider program

Section 6206 amends section 306(a)(22)(B) of the Consolidated Farm and Rural Development Act by increasing the authorization of appropriations to \$25,000,000.

Sec. 6207. Tribal college and university essential community facilities

Section 6207 amends section 306(a)(25)(C) of the Consolidated Farm and Rural Development Act by decreasing the authorization of appropriations to \$5,000,000 for each fiscal year and reauthorizes the program until 2023.

Sec. 6208. Emergency and imminent community water assistance grant program

Section 6208 amends section 306A(i)(1) of the Consolidated Farm and Rural Development Act by permitting the Secretary to extend the reservation of funds for an additional 120 days in order to protect public health. The section further amends paragraph (2) by reducing the authorization of appropriations to \$27,000,000 for each fiscal year and reauthorizes the program until 2023.

Sec. 6209. Water systems for rural and native villages in Alaska

Section 6209 amends section 306D(d)(1) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6210. Household water well systems

Section 6210 amends section 306E(d) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6211. Solid waste management grants

Section 6211 amends section 310B(b)(2) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6212. Rural business development grants

Section 6212 amends section 310B(c)(4)(A) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6213. Rural cooperative development grants

Section 6213 amends section 310B(e)(13) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6214. Locally or regionally produced agricultural food products

Section 6214 amends section 310B(g)(9)(B)(iv)(I) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6215. Appropriate technology transfer for rural areas program

Section 6215 amends section 310B(i)(4) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6216. Rural economic area partnership zones

Section 6216 amends section 310B(j) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6217. Intermediary relending program

Section 6217 amends section 310H(e) of the Consolidated Farm and Rural Development Act by reducing the authorization of appropriations to \$10,000,000 for each fiscal year and reauthorizing the program until 2023.

Sec. 6218. Exclusion of prison populations from definition of rural area

Section 6217 amends section 343(a)(13) of the Consolidated Farm and Rural Development Act by excluding incarcerated prison populations from inclusion in the determination of whether an area is “rural” or a “rural area.”

Sec. 6219. National Rural Development Partnership

Section 6219 amends section 378 of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6220. Grants for NOAA weather radio transmitters

Section 6220 amends section 379B(d) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6221. Rural microentrepreneur assistance program

Section 6221 amends section 379E(d) of the Consolidated Farm and Rural Development Act by reducing the authorization of appro-

priations to \$4,000,000 for each fiscal year reauthorizing the program until 2023.

Sec. 6222. Health care services

Section 6222 amends section 379G(e) of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

Sec. 6223. Delta Regional Authority

Section 6223 amends section 382M(a) of the Consolidated Farm and Rural Development Act by reducing the authorization of appropriation to \$12,000,000 per fiscal year and reauthorizing the program until 2023.

Sec. 6224. Northern Great Plains Regional Authority

Section 6224 amends section 383N(a) of the Consolidated Farm and Rural Development Act by reducing the authorization of appropriation to \$2,000,000 for each fiscal year and reauthorizing the program until 2023.

Sec. 6225. Rural business investment program

Section 6225 amends section 384S of the Consolidated Farm and Rural Development Act by reauthorizing the program until 2023.

SUBTITLE D—RURAL ELECTRIFICATION ACT OF 1936

Sec. 6301. Guarantees for bonds and notes issued for electrification or telephone purposes

Section 6301 amends section 313A(f) of the Rural Electrification Act of 1936 by reauthorizing the program through 2023.

Sec. 6302. Expansion of 911 access

Section 6302 amends section 315(d) of the Rural Electrification Act of 1936 by reauthorizing the program through 2023.

Sec. 6303. Improvements to the guaranteed underwriter program

Section 6303 amends section 313A of the Rural Electrification Act of 1936 by striking the requirement that loans be made solely for the purpose of electrification or telephone purpose under the Act, and requiring instead that utility infrastructure loans be made to eligible borrowers (electric cooperatives). In addition, section 313A is amended to include terms that provide flexibility for the borrower.

Sec. 6304. Extension of the rural economic development loan and grant program

Section 6304 amends the Rural Electrification Act of 1936 to create a new section 313B, and to consolidate the statutory description of the Rural Economic Development Loan and Grant Program in that section. Finally, this section reauthorizes the program through 2023.

SUBTITLE E—FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

Sec. 6401. Rural energy savings program

Section 6401 amends section 6407 of the Farm Security and Rural Investment Act of 2002 by directing the Secretary not to include any other debt incurred in the calculation of a borrower's debt equity ratio for eligibility purposes, increasing the interest rate cap, and directing the Secretary to submit a study to authorizing committees on program administration. The section reauthorizes the program through 2023.

Sec. 6402. Biobased markets program

Section 6402 amends section 9002(i) of the Farm Security and Rural Investment Act of 2002 by authorizing appropriations of \$2,000,000 per fiscal year and reauthorizing the program through 2023. Additionally, the section prohibits other federal agencies from placing limitations on procurement of wood products.

Sec. 6403. Biorefinery, renewable, chemical, and biobased product manufacturing assistance

Section 6403 amends section 9003 of the Farm Security and Rural Investment Act of 2002 by expanding eligibility of eligible projects. The section authorizes appropriations of \$75,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6404. Repowering assistance program

Section 6404 amends section 9004 of the Farm Security and Rural Investment Act of 2002 by limiting payments to an eligible commodity. The section authorizes appropriations of \$10,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6405. Bioenergy program for advanced biofuels

Section 6405 amends section 9005(g) of the Farm Security and Rural Investment Act of 2002 by authorizing appropriations of \$50,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6406. Biodiesel fuel education program

Section 6406 amends section 9006(d) of the Farm Security and Rural Investment Act of 2002 by authorizing appropriations of \$2,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6407. Rural Energy for America Program

Section 6407 amends section 9007(g) of the Farm Security and Rural Investment Act of 2002 by authorizing appropriations of \$20,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6408. Rural Energy Self-Sufficiency Initiative

Section 6408 repeals section 9009 of the Farm Security and Rural Investment Act of 2002.

Sec. 6409. Feedstock flexibility

Section 6409 amends section 9010(b) of the Farm Security and Rural Investment Act of 2002 by reauthorizing the program through 2023.

Sec. 6410. Biomass Crop Assistance Program

Section 6410 amends section 9011(f) of the Farm Security and Rural Investment Act of 2002 by authorizing appropriations of \$25,000,000 per fiscal year and reauthorizing the program through 2023.

SUBTITLE F—MISCELLANEOUS

Sec. 6501. Value-added agricultural product market development grants

Section 6501 amends section 231(b)(7) of the Agriculture Risk Protection Act of 2000 by increasing the authorization of appropriations to \$50,000,000 per fiscal year and reauthorizing the program through 2023.

Sec. 6502. Agriculture innovation center demonstration program

Section 6502 amends section 6402(i) of the Farm Security and Rural Investment Act of 2002 by reauthorizing the program through 2023.

Sec. 6503. Regional economic and infrastructure development commissions

Section 6503 amends section 15751(a) of title 40, United States Code, by reauthorizing the commissions through 2023.

Sec. 6504. Definition of rural area for purposes of the Housing Act of 1949

Section 6504 amends section 520 of the Housing Act of 1949 to update the census years for the purposes of defining “rural” and “rural area”.

SUBTITLE G—PROGRAM REPEALS

Sec. 6601. Elimination of unfunded programs

Section 6601(a) repeals sections 306(a)(23), 310B(f), 379, 379A, 379C, 379D, 379F, and Subtitle I of the Consolidated Farm and Rural Development Act and makes conforming amendments.

Section 6601(b) repeals sections 314 and 602 of the Rural Electrification Act of 1936 and makes conforming amendments.

Sec. 6602. Repeal of Rural Telephone Bank

Section 6602 repeals Title IV of the Rural Electrification Act of 1936 and makes conforming amendments.

Sec. 6603. Amendments to LOCAL TV Act

Section 6603 amends the Launching Our Communities’ Access to Local Television Act of 2000 by retitling it and repealing section 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1009, 1010, 1011, and 1012.

SUBTITLE H—TECHNICAL CORRECTIONS

Sec. 6701. Corrections relating to the Consolidated Farm and Rural Development Act

Section 6701 provides technical corrections to the Consolidated Farm and Rural Development Act.

Sec. 6702. Corrections relating to the Rural Electrification Act of 1936

Section 6702 provides technical corrections to the Rural Electrification Act of 1936.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

SUBTITLE A—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

Sec. 7101. International agriculture research

Section 7101 amends section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to add scientific collaboration that leverages resources and advances the food and agricultural interests of the United States to the list of purposes of federally supported agricultural research.

Sec. 7102. Matters related to certain school designations and declarations

Subsection (a) of section 7102 amends section 1404(14)(A) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to require colleges and universities seeking the Non-Land-Grant College of Agriculture designation to offer a baccalaureate or higher degree in any area of study specified in statute. Subsection (a) also requires the Secretary to establish a process to review each designated institution for compliance.

Subsection (b) of section 7102 amends paragraphs (5)(B) and (10)(C) of section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to extend the termination of declaration dates for the definitions of a Cooperating Forestry School and a Hispanic-Serving Institution through fiscal year 2023.

Sec. 7103. National Agricultural Research, Extension, Education, and Economics Advisory Board

Section 7103 amends section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to alter the membership categories of the National Agricultural Research, Extension, Education, and Economics Advisory Board, decrease the total number of board members to 15, clarify that the board shall make recommendations to the Secretary, and to include AFRI priority areas in its priority development process.

Sec. 7104. Specialty crop committee

Section 7104 amends section 1408A(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to extend the termination date of the specialty crop committee of the National Agricultural Research, Extension, Education, and Economics Advisory Board through fiscal year 2023 and to increase the

number of members of the Citrus Disease Subcommittee to 11 by adding two seats for members representing California or Arizona.

Sec. 7105. Renewable energy committee discontinued

Section 7105 strikes section 1408B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to discontinue the renewable energy committee of the National Agricultural Research, Extension, Education, and Economics Advisory Board.

Sec. 7106. Report on allocations and matching funds for 1890 institutions

Section 7106 directs the Secretary to submit an annual report noting the allocations of Federal funds made to, and matching funds received by, 1890 institutions receiving funding pursuant to sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

Sec. 7107. Grants and fellowships for food and agriculture sciences education

Section 7107 amends section 1417(m)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for grants and fellowships for food and agriculture sciences education through fiscal year 2023.

Sec. 7108. Agricultural and food policy research centers

Section 7108 amends section 1419A(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for agricultural and food policy research centers through fiscal year 2023.

Section 7109. Education grants to Alaska Native serving institutions and Native Hawaiian serving institutions

Section 7109 amends section 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for education grants to Alaska native serving institutions and native Hawaiian serving institutions through fiscal year 2023.

Sec. 7110. Repeal of nutrition education program

Section 7110 strikes section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to discontinue the nutrition education program.

Sec. 7111. Continuing animal health and disease research programs

Section 7111 amends section 1433(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for continuing animal health and disease research programs through fiscal year 2023.

Sec. 7112. Extension carryover at 1890 land-grant colleges, including Tuskegee University

Section 7112 amends section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to remove

the carryover limitation for extension at 1890 land-grant institutions.

Sec. 7113. Scholarships for students at 1890 institutions

Section 7113 amends subtitle G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 by adding section 1446 to direct the Secretary to establish and carry out a grant program to 1890 land-grant institutions for purposes of awarding scholarships. \$19,000,000 is authorized to be appropriated for each fiscal year 2019 through 2023. Each grant made shall be in the amount of \$1,000,000.

Sec. 7114. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University

Section 7114 amends section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for grants to upgrade agricultural and food sciences facilities at 1890 land-grant institutions through fiscal year 2023.

Sec. 7115. Grants to upgrade agriculture and food sciences facilities and equipment at insular area land-grant institutions

Section 7115 amends section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for grants to upgrade agriculture and food sciences facilities and equipment at insular area land-grant institutions through fiscal year 2023.

Sec. 7116. Hispanic-serving institutions

Section 7116 amends section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for education grants to Hispanic-serving institutions through fiscal year 2023.

Sec. 7117. Land-grant designation

Section 7117 amends subtitle C of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 by adding new section 1419C to prevent additional entities from being designated as eligible to receive capacity program or grant funding.

Sec. 7118. Competitive grants for international agricultural science and education programs

Section 7118 amends section 1459A(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for competitive grants for international agricultural science and education programs through fiscal year 2023.

Sec. 7119. Limitation on indirect costs for agricultural research, education, and extension programs

Section 7119 amends section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to increase the limitation of indirect costs for agricultural research, education, and extension programs to 30 percent, and clarify that the limitation shall apply to both the initial grant award and any subgrant, so that the total of all indirect costs charged against the total of

Federal funds provided under the initial grant award does not exceed such limitation.

Sec. 7120. Research equipment grants

Section 7120 amends the National Agricultural Research, Extension, and Teaching Policy Act of 1977 by adding section 1462A to authorize appropriations for research equipment grants for fiscal years 2019 through 2023.

Sec. 7121. University research

Section 7121 amends section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for various agricultural research programs, including research at State agricultural experiment stations, through fiscal year 2023.

Sec. 7122. Extension service

Section 7122 amends section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations to carry out USDA extension programs through fiscal year 2023.

Sec. 7123. Supplemental and alternative crops

Section 7123 amends section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for supplemental and alternative crops through fiscal year 2023, to include canola as a supplemental or alternative crop, and to emphasize the importance of supplemental or alternative crops for agronomical rotational purposes and for use as habitat for honey bees and other pollinators.

Sec. 7124. Capacity building grants for NLGCA institutions

Section 7124 amends section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for capacity building grants for Non Land-Grant College of Agriculture institutions through fiscal year 2023.

Sec. 7125. Aquaculture assistance programs

Section 7125 amends section 1477(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for aquaculture assistance programs through fiscal year 2023.

Sec. 7126. Rangeland research programs

Section 7126 amends section 1483(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for rangeland research programs through fiscal year 2023.

Sec. 7127. Special authorization for biosecurity planning and response

Section 7127 amends section 1484 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to increase the authorization of appropriations to \$30,000,000 each year through fiscal year 2023, to allow for funds to be used to enter into

cooperative agreements in addition to grants, and to add the coordination of tactical science activities to the list of eligible uses of funds.

Sec. 7128. Distance education and resident instruction grants program for insular area institutions of higher education

Subsection (a) of section 7128 amends section 1490(f)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for distance education grants for insular areas through fiscal year 2023.

Subsection (b) of section 7128 amends section 1491(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to reauthorize appropriations for resident instruction grants for insular areas through fiscal year 2023.

Sec. 7129. Removal of matching funds requirement

Section 7129 amends section 1492(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to strike the Competitive, Special, and Facilities Research Grant Act from the list of covered laws subject to the matching requirement.

SUBTITLE B—FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT,
OF 1990

Sec. 7201. Best utilization of biological applications

Section 7201 amends section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for best utilization of biological applications through fiscal year 2023.

Sec. 7202. Integrated management systems

Section 7202 amends section 1627(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for integrated management systems through fiscal year 2023.

Sec. 7203. Sustainable Agriculture Technology Development and Transfer Program

Section 7203 amends section 1628(f)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for the Sustainable Agriculture Technology Development and Transfer Program through fiscal year 2023.

Sec. 7204. National Training Program

Section 7204 amends section 1629(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for a National Training Program in Sustainable Agriculture through fiscal year 2023.

Sec. 7205. National Genetics Resources Program

Section 7205 amends section 1635(b)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for the National Genetics Resources Program through fiscal year 2023.

Sec. 7206. National Agricultural Weather Information System

Section 7206 amends section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for the National Agricultural Weather Information System through fiscal year 2023.

Sec. 7207. Agricultural genome to phenome initiative

Section 7207 amends section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 to change the name to the Agricultural Genome to Phenome Initiative, add phenome related language to the program's goals and duties of the Secretary, and authorize appropriations of \$30,000,000 for fiscal years 2019 through 2023.

Sec. 7208. High-priority research and extension initiatives

Section 7208 amends section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 to change the name of the Alfalfa and Forage Research Program to Alfalfa Seed and Alfalfa Forage Systems Research Program and making corresponding changes throughout the program authority; authorize the Macadamia Tree Health Initiative, the National Turfgrass Research Initiative, the Fertilizer Management Initiative, the Cattle Fever Tick Program, and the Laying Hen and Turkey Research Program; and reauthorize appropriations for the Pulse Crop Health Initiative, training coordination for food and agriculture protection, pollinator protection, and listed high-priority research and extension initiatives through fiscal year 2023.

Sec. 7209. Organic agriculture research and extension initiative

Section 7209 amends section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 to add "soil health" to the list of program funding priorities, increase the authorization of mandatory funding to \$30,000,000 for fiscal years 2019 through 2023, and reauthorize appropriations through fiscal year 2023.

Sec. 7210. Farm business management

Section 7210 amends section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 to clarify the purpose of the program and to reauthorize appropriations for farm business management through fiscal year 2023.

Sec. 7211. Clarification of veteran eligibility for assistive technology program for farmers with disabilities

Section 7211 amends section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 to clarify the eligibility of veterans with disabilities for program assistance and to reauthorize appropriations for the program through fiscal year 2023.

Sec. 7212. National Rural Information Center Clearinghouse

Section 7212 amends section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize appropriations for the National Rural Information Clearinghouse through fiscal year 2023.

SUBTITLE C—AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION
REFORM ACT OF 1998*Sec. 7301. National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Program*

Section 7301 amends section 405(j) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for the National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Program through fiscal year 2023.

Sec. 7302. Integrated research, education, and extension competitive grants program

Section 7302 amends section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for integrated research, education, and extension competitive grants through fiscal year 2023.

*Sec. 7303. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica**

Section 7303 amends section 408(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica* through fiscal year 2023.

Sec. 7304. Grants for youth organizations

Section 7304 amends section 410(d)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for grants for youth organizations section 2023.

Sec. 7305. Specialty Crop Research Initiative

Subsection (a) of section 7305 amends section 412(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 to clarify priority language regarding the critical needs of the specialty crop industry.

Subsection (b)(1) of section 7305 amends section 412(j)(5) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for the Emergency Citrus Disease Research and Extension Program through fiscal year 2023.

Subsection (b)(2) of section 7305 amends section 412(k)(1)(C) of the Agricultural Research, Extension, and Education Reform Act of 1998 to extend the reservation of mandatory funding for the Emergency Citrus Disease Research and Extension Program through fiscal year 2023.

Subsection (c) of section 7305 amends section 412(k)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for the Specialty Crop Research Initiative through fiscal year 2023.

Sec. 7306. Food Animal Residue Avoidance Database Program

Section 7306 amends section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appro-

priations for the Food Animal Residue Avoidance Database Program through fiscal year 2023.

Sec. 7307. Office of Pest Management Policy

Section 7307 amends section 614(f)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for the Office of Pest Management Policy through fiscal year 2023.

Sec. 7308. Forestry products advanced utilization research

Section 7308 amends section 617(f)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 to reauthorize appropriations for forestry products advanced utilization research through fiscal year 2023.

SUBTITLE D—FOOD, CONSERVATION, AND ENERGY ACT OF 2008

PART I—AGRICULTURAL SECURITY

Sec. 7401. Agricultural Biosecurity Communication Center

Section 7401 amends section 14112(c)(2) of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for the Agricultural Biosecurity Communication Center through fiscal year 2023.

Sec. 7402. Assistance to build local capacity in agricultural biosecurity planning, preparation, and response

Section 7402 amends section 14113 of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for advanced training programs and assessment and response capability in agricultural biosecurity through fiscal year 2023.

Sec. 7403. Research and development of agricultural countermeasures

Section 7403 amends section 14121(b)(2) of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for research and development of agricultural countermeasures through fiscal year 2023.

Sec. 7404. Agricultural Biosecurity Grant Program

Section 7404 amends section 14122(e)(2) of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for the Agricultural Biosecurity Grant Program through fiscal year 2023.

PART II—MISCELLANEOUS

Sec. 7411. Grazinglands Research Laboratory

Section 7411 amends section 7502 of the Food, Conservation, and Energy Act of 2008 to extend the date that the Grazinglands Research Laboratory cannot be declared excess or surplus Federal property through fiscal year 2023.

Sec. 7412. National Products Research Program

Section 7412 amends section 7525(e) of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for the National Products Research Program through fiscal year 2023.

Sec. 7413. Sun Grant Program

Section 7413 amends section 7526(g) of the Food, Conservation, and Energy Act of 2008 to reauthorize appropriations for the Sun Grant Program through fiscal year 2023.

SUBTITLE E—AMENDMENTS TO OTHER LAWS

Sec. 7501. Critical Agricultural Materials Act

Section 7501 amends section 16(a)(2) of the Critical Agricultural Materials Act to reauthorize appropriations through fiscal year 2023.

Sec. 7502. Equity in Education Land-Grant Status Act of 1994

Subsection (a) of section 7502 amends section 532 of the Equity in Education Land-Grant Status Act of 1994 to update the list of 1994 institutions.

Subsection (b) of section 7502 amends section 533(b) of the Equity in Education Land-Grant Status Act of 1994 to reauthorize appropriations for the endowment for 1994 institutions through fiscal year 2023.

Subsection (c) of section 7502 amends section 535 of the Equity in Education Land-Grant Status Act of 1994 to reauthorize appropriations for 1994 institutional capacity building grants through fiscal year 2023.

Subsection (d) of section 7502 amends section 536(c) of the Equity in Education Land-Grant Status Act of 1994 to reauthorize research grants for 1994 institutions through fiscal year 2023.

Sec. 7503. Research Facilities Act

Subsection (a) of section 7503 amends sections 2(1) and 3(c)(2)(D) of the Research Facilities Act to clarify program eligibility.

Subsection (b) of section 7503 amends section 3(c)(2)(D) of the Research Facilities Act to include maintenance costs within the criteria for submitted proposals.

Subsection (c) of section 7503 adds section 4 to the Research Facilities Act to direct the Secretary to establish a competitive grant program to assist in construction and maintenance of agricultural research facilities.

Subsection (d) of section 7503 amends section 6 of the Research Facilities Act to reauthorize appropriations through fiscal year 2023 and impose project funding limitations.

Sec. 7504. Competitive, Special, and Facilities Research Grant Act

Section 7504 amends subsection (b) of section 2 of the Competitive, Special, and Facilities Research Grant Act to update priority areas to include soil health, automation and mechanization for labor intensive tasks in the production and distribution of crops, bridges to farm entry for young, beginning, socially disadvantaged, veteran, and immigrant farmers and ranchers; make conforming amendments necessary due to the removal of the Competitive, Special, and Facilities Research Grant Act from the list of covered laws subject to matching requirements under section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977; reauthorize appropriations for the Agriculture and Food Re-

search Initiative through fiscal year 2023, and increase the amount the Secretary may retain for administrative costs to 5 percent.

Sec. 7505. Renewable Resources Extension Act of 1978

Subsection (a) of section 7505 amends section 6 of the Renewable Resources Extension Act of 1978 to reauthorize appropriations through fiscal year 2023.

Subsection (b) of section 7505 amends section 8 of the Renewable Resources Extension Act of 1978 to extend the termination date through fiscal year 2023.

Sec. 7506. National Aquaculture Act of 1980

Section 7506 amends section 10 of the National Aquaculture Act of 1980 to reauthorize appropriations through fiscal year 2023.

Sec. 7507. Beginning Farmer and Rancher Development Program

Section 7507 amends section 7405 of the Farm Security and Rural Investment Act of 2002 to authorize the Secretary to enter into cooperative agreements, make structural changes to the authorization, add various priority areas, reauthorize mandatory funding of \$20 million each fiscal year through 2023, and reauthorize appropriations through fiscal year 2023.

Sec. 7508. Federal agriculture research facilities

Section 7508 amends section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 to reauthorize appropriations for federal agriculture research facilities through fiscal year 2023.

Sec. 7509. Biomass research and development

Section 7509 amends section 9008(h) of the Farm Security and Rural Investment Act of 2002 to reauthorize appropriations for biomass research and development through fiscal year 2023.

SUBTITLE F—OTHER MATTERS

Sec. 7601. Enhanced use lease authority pilot program

Subsection (a) of section 7601 amends section 308(a) of the Department of Agriculture Reorganization Act of 1994 to strike “pilot” from the program’s title and from an additional program reference.

Subsection (b) of section 7601 amends section 308(b)(1)(C) of the Department of Agriculture Reorganization Act of 1994 to clarify allowed activities during a lease agreement.

Subsection (c) of section 7601 amends section 308(b)(6) of the Department of Agriculture Reorganization Act of 1994 to extend the termination of authority through fiscal year 2023.

Subsection (d) of section 7601 amends section 308(d)(2) of the Department of Agriculture Reorganization Act of 1994 to extend the reporting requirement through fiscal year 2023.

Sec. 7602. Function and duties of the Under Secretary

Section 7602 amends subparagraph (B) of section 251(d)(2) of the Department of Agriculture Reorganizations Act of 1994 to ensure that in carrying out the agricultural research, education, extension,

economics, and statistical programs of the department, the Under Secretary consider AFRI priorities.

Sec. 7603. Reinstatement of District of Columbia matching requirement for certain land-grant university assistance

Section 7603 amends section 209(c) of the District of Columbia Public Postsecondary Education Reorganization Act to require the District of Columbia to provide matching funds for Federal capacity appropriations.

Sec. 7604. Farmland tenure, transition, and entry data initiative

Section 7604 authorizes appropriations of \$2,000,000 each year through fiscal year 2023 to collect and report data and analysis on farmland ownership, tenure, transition, and entry of beginning farmers.

Sec. 7605. Transfer of administrative jurisdiction, portion of Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland

Section 7705 authorizes the Secretary to transfer administrative jurisdiction of roughly 100 acres of the Beltsville Agricultural Research Center to the Secretary of the Treasury.

Sec. 7606. Simplified plan of work

Section 7607 simplifies the plan of work that is required by entities who receive formula funding through the Smith-Lever Act, Hatch Act, Evans-Allen grants, and 1890 institutions extension grants.

Sec. 7607. Time and effort reporting exemption

Section 7607 exempts any entity receiving formula funds through the Smith-Lever Act, Hatch Act, Evans-Allen grants, 1890 institutions extension grants, and McIntire-Stennis grants from time and effort reporting with respect to the use of formula funds.

TITLE VIII—FORESTRY

SUBTITLE A—REAUTHORIZATION AND MODIFICATION OF CERTAIN FORESTRY PROGRAMS

Sec. 8101. Support for State assessments and strategies for forest resources

Section 8101 amends section 2A(f)(1) of the Cooperative Forestry Assistance Act of 1978 by reauthorizing the funding for the required state assessment through 2023.

Sec. 8102. Forest legacy program

Section 8102 amends section 7 of the Cooperative Forestry Assistance Act of 1978 by removing the authorization of appropriations of “such sums as necessary” and authorizing \$35,000,000 for each of fiscal years 2019 through 2023.

Sec. 8103. Community forest and open space conservation program

Section 8103 amends section 7A of the Cooperative Forestry Assistance Act of 1978 by removing the authorization of appropria-

tions of “such sums as necessary” and authorizing \$5,000,000 for each of fiscal years 2019 through 2023.

Sec. 8104. State and private forest landscape-scale restoration program

Section 8104 amends section 13A of the Cooperative Forestry Assistance Act of 1978 to establish a landscape-scale restoration program.

Subsection (a) of the new program enumerates the purpose of the program as supporting activities that result in improvements to public benefits derived from State and private forest land.

Subsection (b) provides for the relevant definitions.

Subsection (c) establishes the program that provides financial and technical assistance for projects that maintain or improve benefits to trees and forests on land.

Subsection (d) enumerates the requirements under the program.

Subsection (e) requires the Secretary to establish a measurement tool to quantify the results of projects.

Subsection (f) allocates funding for projects equally between a national competitive process and to States.

Subsection (g) requires that the allocation through the competitive process maximize the achievement of the objects of the program. The subsection further requires the submission of proposals to the Secretary to be considered for the competitive process. The subsection requires the Secretary to give priority to proposals that best carry out priorities identified through the State-wide assessments.

Subsection (h) requires the Secretary to submit a report to Congress, not later than 3 years of the passage of the Farm Bill that describes the status of the implementation of the program, an accounting of expenditures under the program, and specific accomplishments that have resulted from projects under the program.

Subsection (i) authorizes \$10,000,000 to carry out the program for each of fiscal years 2019 through 2023, to remain available until expended.

Sec. 8105. Rural revitalization technologies

Section 8105 amends section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize the Rural Revitalization Technologies Program at the current level of \$5,000,000 through 2023.

Sec. 8106. Community wood energy and wood innovation program

Section 8106 amends section 9013 to amend the Community Wood Energy and Wood Innovation Program to include public and private facilities in the program. The section further establishes a priority to projects that use low value, low quality wood. The section includes an authorization of appropriations for \$25,000,000 for each of fiscal years 2019 through 2023.

Sec. 8107. Healthy Forests Restoration Act of 2003 amendments

Paragraph (1) of subsection (a) of section 8107 amends section 501(a) of the Healthy Forests Restoration Act of 2003 to expand the purposes of the program to include the conservation of land that provides habitat for certain species and to ensure that forests that

already provide suitable habitat, but are at risk for conversion, are eligible. Paragraph (2) amends section 502(b) of the Healthy Forests Restoration Act of 2003 by limiting eligibility to ensure that the land is not only restored but also provides benefits to specific types of species. Paragraphs (3) and (4) amend section 502(c) and 502(e) to include conservation of forest lands that provide habitat to certain species as a consideration for enrollment of land under the program and are given a priority. Paragraph (5) amends section 502(e)(2)(B) to allow Indian tribes to sell permanent easements on lands they own in fee simple. Paragraph (6) is a technical amendment. Paragraph (7) amends section 503(b) to clarify that restoration can be achieved through forest management. Paragraph (8) reauthorizes the appropriations for the program at the current level of \$12,000,000 each year through fiscal year 2023. Paragraph (9) is a technical correction.

Paragraph (1) of subsection (b) of section 8107 amends section 602(d)(1) to expand Healthy Forest treatment areas to include priority projects that reduce hazardous fuels. Paragraph (2) extends the authority for treatment areas.

Subsection (c) includes a clarifying amendment and increases the project size limitation of the categorically excluded collaborative restoration projects from 3,000 acres to 6,000 acres.

Sec. 8108. National Forest Foundation Act authorities

Subsection (a) of section 8108 amends section 405(b) of the National Forest Foundation Act by reauthorizing the Secretary's authority to provide matching funds for the administration and expenses incurred by the Forest Foundation.

Subsection (b) amends section 410(b) of the National Forest Foundation Act by reauthorizing the appropriations at the current level of \$3,000,000 each of fiscal years through 2023 to provide for matching funds to be made available for the Forest Foundation.

SUBTITLE B—SECURE RURAL SCHOOLS AND COMMUNITY SELF-
DETERMINATION ACT OF 2000 AMENDMENTS

Sec. 8201. Use of reserved funds for Title II projects on Federal land and certain non-Federal land

Section 8201 amends section 204(f) of the Secure Rural Schools and Community Self-Determination Act of 2000 to require 50% of Title II funds be spent on projects which include sale of forest products and meet land management objectives.

Sec. 8202. Resource advisory committees

Subsection (a) of section 8202 amends section 205(a)(4) of the Secure Rural Schools and Community Self-Determination Act of 2000 to extend Title II Resource Advisory Committee (RAC) functions, membership through fiscal year 2023.

Subsection (b) amends section 205(d) of the Secure Rural Schools and Community Self-Determination Act of 2000 to reduce the membership of RACs from 15 to 9 and to reduce the members that are representative of community interests from 5 to 3.

Subsection (c) adds a requirement for members of the RAC to reside in the county or adjacent county where the RAC has jurisdiction.

Subsection (d) allows for a designee of the Secretary to perform certain functions.

Sec. 8203. Program for Title II self-sustaining resource advisory committee projects

Section 8203 amends Title II of the Secure Rural Schools and Community Self-Determination Act of 2000 by authorizing the Chief of the Forest Service to choose ten RACs that may retain revenue from projects to fund future projects that accomplish forest management objectives.

SUBTITLE C—AVAILABILITY OF CATEGORICAL EXCLUSIONS TO EXPEDITE FOREST MANAGEMENT ACTIVITIES

Part I—General Provisions

Sec. 8301. Definitions

Section 8301 provides the relevant definitions for Subtitle C.

Sec. 8302. Rule of application for National Forest System Lands and public lands

Section 8302 is a rule of application, limiting the application of the authorities provided by subtitle C to National Forest or public lands that are not in the National Wilderness Preservation System, within an inventoried roadless area (unless the forest management activity is consistent with the applicable forest plan or allowed under the applicable roadless rule), or land on which timber harvest is prohibited by Federal law.

Sec. 8303. Consultation under the Endangered Species Act

Subsection (a) removes the requirement for consultation under section 7 of the Endangered Species Act for a project carried out by the Forest Service if the project is found not likely to adversely affect a listed species.

Subsection (b) allows for an expedited consultation where the projects conducted under a CE for which a section 7 consultation is required, the action is deemed to have complied with the requirements of Section 7 after 90 days.

Sec. 8304. Secretarial discretion in the case of two or more categorical exclusions

Section 8304 clarifies that if a forest management activity might fall under more than one of the categorical exclusions, the Secretary has full discretion in determining which categorical exclusion to apply.

Part II—Categorical Exclusions

Sec. 8311. Categorical exclusion to expedite certain critical response actions

Subsections (a) and (b) of section 8302 authorize the use of CEs for addressing insect and disease infestation, reducing hazardous fuel loads, protecting municipal water sources, improving or enhancing critical habitat, and increasing water yield.

Subsection (c) provides for the availability of CEs under this section.

Subsection (d) limits the size of the CEs to 6,000 acres.

Sec. 8312. Categorical exclusion to expedite salvage operations in response to catastrophic events

Subsection (a) of section 8303 authorizes the use of CEs for specific salvage operations carried out by the Secretary.

Subsection (b) provides for the availability of CEs under this section.

Subsection (c) limits the size of the CE to 6,000 acres.

Subsection (d) requires that salvage operations covered by a CE under this section protect streams and stream buffers as provided in the forest plan. The subsection further requires the development of a reforestation plan as part of the salvage operation.

Sec. 8313. Categorical exclusion to meet forest plan goals for early successional forests

Subsections (a) and (b) of section 8304 authorize the use of CEs for the modification, improvement, enhancement, or creation of early successional forests for wildlife habitat improvement.

Subsection (c) provides for the availability of the CE under this section.

Subsection (d) directs the Secretary to maximize production and regeneration of priority species in the development of a forest management activity conducted under this section.

Subsection (e) limits the size of the CEs to 6,000 acres.

Sec. 8314. Categorical exclusions for hazard trees

Section 8305 authorizes the use of CEs in order to remove hazardous trees and salvage timber to protect public safety, water supply, or public infrastructure.

Sec. 8315. Categorical exclusion to improve or restore National Forest System lands or public land or reduce the risk of wildfire

Subsections (a) and (b) of section 8314 authorize the use of CEs for certain activities when the purpose of those activities is to improve, restore, or reduce the risk of wildfire on Forest System or public lands.

Subsection (c) provides for the availability of CEs under this section.

Subsection (d) limits the size of the CEs to 6,000 acres.

Subsection (e) provides the pertinent definitions.

Sec. 8316. Categorical exclusion for forest restoration

Subsection (a) and (b) of section 8315 establish a CE for certain forest management activities on National Forest System lands, including timber harvest, hazardous, fuel reduction, and prescribed burning.

Subsection (c) provides for the availability of CEs under this section.

Subsection (d) limits the size of the CEs to 6,000 acres.

Subsection (e) provides for limitations on the building of permanent and temporary roads under this CE.

Sec. 8317. Categorical exclusion for infrastructure forest management activities

Section 8317 establishes a CE for certain forest management activities related to infrastructure on National Forest System land, including activities related to roads, bridges, dams, and other facilities.

Sec. 8318. Categorical exclusion for developed recreation sites

Section 8318 establishes a CE for certain forest management activities on National Forest System lands related to the operation, maintenance, modification, reconstruction or decommissioning of existing recreation sites.

Sec. 8319. Categorical exclusion for administrative sites

Subsections (a) and (b) of section 8318 establish a CE for certain forest management activities on National Forest System lands related to the construction, maintenance, decommissioning, relocation, and disposal of administrative sites.

Subsection (c) provides for the availability of CEs under this section.

Subsection (d) provides for a limitation on roads and pesticide use.

Subsection (e) provides a definition for administrative site.

Sec. 8320. Categorical exclusion for special use authorization

Subsections (a) and (b) of section 8320 establish a CE for certain forest management activities on National Forest System lands related to special use authorizations.

Subsection (c) provides for the availability of CEs under this section.

Subsection (d) requires the preparation of certain documents in order to use the CE.

Sec. 8321. Clarification of existing categorical exclusion authority related to insect and disease infestation

Section 8321 amends section 603(c)(2)(B) of the Healthy Forests Restoration Act of 2003 to include Fire Regime IV and V (Lodgepole pine) in the Insect & Disease Categorical Exclusion included in the 2014 Farm Bill.

Part III—Miscellaneous Forest Management Activities

Sec. 8331. Good neighbor agreements

Section 8331 amends section 8206 of the Agricultural Act of 2014 to extend the ability to use good neighbor authority to Indian Tribes.

Sec. 8332. Promoting cross-boundary wildfire mitigation

Section 8332 amends section 103 of the Healthy Forests Restoration Act of 2003 by including funding from the Forest Service's wildland fire hazardous fuels funding to perform cross-boundary work to reduce hazardous fuels, when the funding exceeds \$300,000,000 in any year. The section further amends section 103 by adding a new subsection that requires the funds to be used on

Federal, State, county, tribal or private lands. The subsection also prioritizes high risk areas for use of the funds.

Sec. 8333. Regulations regarding designation of dead or dying trees of certain tree species on National Forest System lands in California as exempt from prohibition on export of unprocessed timber originating from Federal lands

Subsection (a) of section 8333 directs the Secretary to issue rule-making to determine that unprocessed timber from the National Forest System lands in California is considered surplus to domestic needs and is therefore exempt from export prohibitions.

Subsection (b) requires the Secretary to consult with representatives of sawmills in California and make a reasonable effort to avoid adverse impacts to the industry.

Subsection (c) allows the Secretary to adjust contract provisions in region 5 of the National Forest System to carry out this section.

Subsection (d) exempts timber harvested under this section from the limitation of substitution of unprocessed Federal timber.

Subsection (e) provides authority to hire additional staff to implement the regulations issued under subsection (a).

Subsection (f) requires the regulations to remain in effect for 10 years with periodic review.

Subsection (g) provides relevant definitions for this section.

SUBTITLE D—TRIBAL FORESTRY PARTICIPATION AND PROTECTION

Sec. 8401. Protection of Tribal forest assets through use of stewardship end result contracting and other authorities

Subsection (a) of section 8401 amends section 2(b) of the Tribal Forest Protection Act of 2004 authorizing Federal land management agencies up to 120 days to respond to Tribal requests for forest management on agency lands and two years to complete the analysis.

Subsection (b) includes conforming amendments.

Sec. 8402. Management of Indian forest land authorized to include related National Forest System lands and public lands

Section 8402 amends section 305 of the National Indian Forest Resources Management Act to give authority to Indian Tribes to request to conduct forest management activities on Federal lands where they have a Tribal interest. The authority to conduct those activities would come from authorities on Indian lands.

Sec. 8403. Tribal forest management demonstration projects

Section 8403 authorizes demonstration projects through which Tribes may contract to perform administrative, management, and other functions of the Tribal Forest Protection Act.

SUBTITLE E—OTHER MATTERS

Sec. 8501. Clarification of research and development program for wood building construction

Subsection (a) of section 8601 directs the Secretary to conduct performance-driven research and development, education, and technical assistance for the purpose of facilitating the use of innovative wood products in wood building construction.

Subsection (b) requires the Secretary to collaborate with the wood products industry, conservation organizations, and institutions of higher education to meet these objectives at the Forest Products Laboratory or through the State and Private Forestry deputy area to achieve measurable performance goals. The subsection further requires the Secretary to make competitive grants to institutions of higher education to meet these measurable performance goals.

Subsection (c) identifies key priorities that are to be the focus of the research and development, education, and technical assistance to be conducted under the section including; commercialization, safety, life cycle environmental footprint, implications on wildlife, and other research areas.

Subsection (d) calls for a timeframe of 5 years to achieve the measurable performance goals called for under the section.

Subsection (e) provides the relevant definitions for the section.

Sec. 8502. Utility infrastructure rights-of-way vegetation management pilot program

Subsection (a) of section 8502 establishes a limited, voluntary pilot program to encourage land owners and operators to perform vegetation management on a proactive basis. The pilot program permits vegetation management projects on National Forest System land that is adjacent to or near rights-of-way.

Subsection (b) requires that eligible participants have rights-of-way on National Forest System land. The subsection further gives priority to eligible participants who have worked with the Forest Service to improve utility infrastructure protection prescriptions.

Subsection (c) provides for the elements of a project under the pilot program. A project involves limited and select management activities that shall create the least amount of disturbance to protect utility infrastructure from wildfire; shall take place directly adjacent to or within 75 feet of the participant's right-of-way; and shall be subject to approval by the Forest Service. A project is prohibited from taking place within a designated wilderness area, wilderness study area, or inventoried roadless area. Activities under the pilot program may include thinning, fuel reduction, creation and treatment of shaded fuel breaks.

Subsection (d) requires that a participant be responsible for all costs incurred by participating unless the Secretary determines that it is in the public interest for the Forest Service to contribute funds.

Subsection (e) is a rule of construction that participation in the program does not affect any existing legal obligations of liability standards related to the right-of-way or fires resulting from causes other than activities performed under the project. A participant is not liable for damages caused by activities under the project unless in cases of gross negligence, in violation of criminal law, or where damages were caused by failure of the participant to comply with safety requirements imposed by the Forest Service as a condition of participation.

Subsection (f) directs the Secretary to use existing laws and regulations to conduct the pilot program. It further allows the Secretary to waive or modify specific provisions of the Federal Acquisition

Regulation in order to implement the pilot program in an efficient and expeditious manner.

Subsection (g) allows the Secretary to retain funds provided to the Forest Service by a participant and use such funds, in amounts as may be appropriated, in the conduct of the pilot program, notwithstanding any other provision of law.

Subsection (h) provides the relevant definitions for the Act.

Subsection (i) sunsets the authority to conduct the pilot program on December 21, 2027.

Subsection (j) requires the Secretary to report to Congress, every two years, on the status of the pilot program and any related projects.

Sec. 8503. Revision of extraordinary circumstances regulations

Subsections (a) and (b) of section 8503 direct the Secretary to initiate a rulemaking to clarify that the following project characteristics do not need to be examined as part of determining whether extraordinary circumstances preclude a CE under NEPA; whether a project is within a proposed wilderness area; whether a project impacts a FS sensitive species; the cumulative impact of a project when added to other past, present, and reasonably foreseeable future actions; whether a project may affect, but is not likely to adversely affect, a listed species or designated critical habitat; and whether a project may affect, and is likely to adversely affect, a listed species or designated critical habitat, if the project is in compliance with the applicable provisions of the biological opinion.

Subsection (c) eliminates the requirement to perform an environmental impact statement for all projects that would substantially alter a potential wilderness area. Subsection (d) requires that the rulemaking be complete within 120 days of enactment.

Sec. 8504. No loss of funds for wild-fire suppression

Section 8504 clarifies that nothing in this title or the amendments made by this title may be construed to limit from the availability of funds or other resources for wild-fire suppression.

Sec. 8505 Technical corrections

Section 8505 contains technical amendments to the Wildfire Suppression Funding and Forest Management Activities Act.

TITLE IX—HORTICULTURE

SUBTITLE A—HORTICULTURE MARKETING AND INFORMATION

Sec. 9001. Specialty crops market news allocation

Section 9001 amends section 10107(b) of the Food, Conservation, and Energy Act of 2008 to extend the authorization of appropriations for specialty crops market news allocation at the current level of \$9,000,000 for each fiscal year through 2023, to remain available until expended.

Sec. 9002. Farmers' Market and Local Food Promotion Program

Section 9002 amends section 6(g) of the Farmer-to-Consumer Direct Marketing Act of 1976 by extending the authorization of appropriations for the Farmers' Market and Local Food Promotion Program and increasing the authorized level from \$10,000,000 a

year to \$30,000,000 a year for fiscal years 2019 through 2023. The section also strikes an expired one-year authorization of appropriations.

Sec. 9003. Food safety education initiatives

Section 9003 amends section 10105(c) of the Food, Conservation, and Energy Act of 2008 to extend the authorization of appropriations for the food safety education initiatives at the current level of \$1,000,000 a year through fiscal year 2023, to remain available until expended.

Sec. 9004. Specialty Crop Block Grants

Section 9004 amends section 101 of the Specialty Crops Competitiveness Act of 2004 to extend the authority of the Secretary to make grants; expand the types of activities the grants can be used to carry out; require the Secretary to enter into cooperative agreements with the State departments of agriculture who receive the grants in order to develop performance measures to periodically evaluate program performance; and extend the mandatory funding available for multi-state projects at the existing level of \$5,000,000 for each year through fiscal year 2023, to remain available until expended.

Sec. 9005. Amendments to the Plant Variety Protection Act

Subsection (a) of section 9005 amends section 41(a) of the Plant Variety Protection Act to include a definition for the term “asexually reproduced.”

Subsection (b) of section 9005 amends section 42(a) of the Plant Variety Protection Act to expand the authorized types of reproduction to include asexual reproduction for the purposes of variety protection under the Act.

Subsection (c) of section 9005 amends section 111(a)(3) of the Plant Variety Protection Act to expand the authorized types of reproduction to include asexual reproduction for the purposes of what constitutes infringement under the Act.

Subsection (d) of section 9005 amends section 128(a) of the Plant Variety Protection Act to expand the authorized types of reproduction to include asexual reproduction for the purposes of prohibited marketing claims under the Act.

Sec. 9006. Organic programs

Subsection (a) of section 9006 amends section 2115 of the Organic Foods Production Act of 1990 to expand the certifying agent accreditation program to the oversight and approval of certifying agents certifying farms and handling operations in foreign countries.

Subsection (b) of section 9006 amends section 2118(d) of the Organic Foods Production Act of 1990 to direct the Secretary to establish expedited and emergency procedures related to food, crop, or human safety for placing a substance on the National List.

Subsection (c) of section 9006 amends section 2119(b) of the Organic Foods Production Act of 1990 to allow for an employee of an owner or operator of an organic farming operation to represent the owner or operator on the National Organic Standards Board.

Subsection (d) of section 9006 amends section 2119(l) of the Organic Foods Production Act of 1990 to allow for the convening of a task force to consult with the FDA or EPA when deciding if a substance that has been determined safe within the meaning of the Federal Food, Drug, and Cosmetic Act, or determined by the EPA to not be harmful, should be included on the National List.

Subsection (e) of section 9006 amends section 2120 of the Organic Foods Production Act of 1990 to authorize all parties to an investigation to share confidential business information with Federal and State government officials, authorize the Secretary to access trade data from other Federal agencies, and authorize the Secretary to require additional documentation or verification. The subsection directs the Secretary to promulgate regulations no later than 1 year after enactment to limit the type of operations that are excluded from certification.

Subsection (f) of section 9006 amends Section 2122 of the Organic Food Production Act of 1990 to require the Secretary to submit a report to Congress no later than March 1, 2019, and annually thereafter through March 1, 2023, describing National Organic Program activities with respect to all domestic and overseas investigations and compliance actions taken during the preceding year.

Subsection (g) of section 9006 amends subsection (b) of section 2123 of the Organic Foods Production Act of 1990 to reauthorize appropriations for the National Organic Program of \$15,000,000 for fiscal year 2018, \$16,500,000 for fiscal year 2019, \$18,000,000 for fiscal year 2020, \$20,000,000 for fiscal year 2021, \$22,000,000 for fiscal year 2022, and \$24,000,000 for fiscal year 2023.

Subsection (h) of section 9006 amends subsection (c) of section 2123 of the Organic Foods Production Act of 1990 to direct the Secretary to modernize international organic trade tracking and data collection systems and authorizes mandatory funding of \$5,000,000 for fiscal year 2019.

Subsection (i) of section 9006 amends section 7407(d) of the Farm Security and Rural Investment Act of 2002 to reauthorize appropriations for the Organic Production and Market Data Initiatives at the current level of \$5,000,000 for each fiscal year through 2023, to remain available until expended, and to provide mandatory funding of \$5,000,000 for fiscal year 2019, to remain available until expended.

SUBTITLE B—REGULATORY REFORM

Part I—State Lead Agencies Under Federal Insecticide, Fungicide, and Rodenticide Act

Sec. 9101. Recognition and role of State lead agencies

Subsection (a) of section 9101 amends section 2(aa) of the Federal Insecticide, Fungicide, and Rodenticide Act to include a definition of “State lead agency” for the purposes of the Act.

Subsection (b) of section 9101 amends section 22(b) of the Federal Insecticide, Fungicide, and Rodenticide Act by limiting regulations to those promulgated by the EPA or within the authority of a State lead agency. The subsection further amends section 23(a)(1) of the Federal Insecticide, Fungicide, and Rodenticide Act to authorize States or Tribes to establish and maintain uniform regulation of pesticide through cooperative agreement with the Adminis-

trator of the EPA. The subsection further amends section 24(a) of the Federal Insecticide, Fungicide, and Rodenticide Act to restrict the authority of a political subdivision of a State to regulate a pesticide beyond the Federal limits.

Subsection (c) of section 9101 amends section 25(a)(2) of the Federal Insecticide, Fungicide, and Rodenticide Act by requiring the Administrator to publish any comments regarding prescribed regulations promulgated pursuant to the Act from the Secretary of Agriculture or any State lead agency in the Federal Register, including any response to the comments, if such comments are received within 30 days of receipt of a copy of any such regulation. The subsection further allows for the Secretary or a State lead agency to request any comments regarding prescribed regulations promulgated pursuant to the Act sent to the Administrator within 15 days of receipt of a copy of the regulation, including any response to the comments, be published in the Federal Register.

Part II—Pesticide Registration and Use

Sec. 9111. Registration of pesticides

Subsection (a) of section 9111 amends section 3(c)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator to register a pesticide if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species. The subsection further amends section 3 to require the Administrator to use the best scientific and commercial information available, which may include species and habitat information from the Secretary of Interior or Secretary of Commerce, and consider all restrictions on use when considering the criteria for the registration of a pesticide. The Administrator shall not be required to consult or communicate with the Secretary of the Interior or the Secretary of Commerce under the authority of any other statute when making such determination, unless otherwise petitioned to by the registrant of the pesticide.

Subsection (b) of section 9111 amends section 3(c)(7) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator to conditionally register or amend the registration of a pesticide under special circumstances if the Administrator determines that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species.

Subsection (c) of section 9111 amends section 3(g)(1)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator to complete the determination, and subsequent periodic reviews, that a pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species, over the following schedule: by October 1, 2026 for an active ingredient first registered on or before October 1, 2007; by October 1, 2033 for an active ingredient first registered between

October 1, 2007 and the day before enactment; and not later than 48 months after the effective date of registration for an active ingredient registered on or after the date of enactment.

Sec. 9112. Experimental use permits

Section 9112 amends section 5(a) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator, when issuing an experimental use permit for a pesticide, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species.

Sec. 9113. Administrative review; suspension

Section 9113 amends section 6(b) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator, when issuing a notice to cancel or change the classification of a pesticide, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species.

Sec. 9114. Unlawful acts

Section 9114 amends section 12 of the Federal Insecticide, Fungicide, and Rodenticide Act to clarify that any taking of a federally listed threatened or endangered species resulting from the lawful use of a pesticide determined by the Administrator to meet the criteria specified in section 3(c)(5)(A)(v) is not considered unlawful.

Sec. 9115. Authority of states

Section 9115 amends section 24(c) of the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator, when disapproving a State pesticide registration, to determine that the pesticide, when used in accordance with widespread and commonly recognized practices, is not likely to jeopardize the survival of a federally listed threatened or endangered species or to alter habitat critical for the survival or recovery of such species.

Sec. 9116. Regulations

Section 9116 directs the Administrator to publish and continue to review a work plan for completing required determinations and implementing and enforcing registration standards.

Sec. 9117. Use of authorized pesticides

Section 9117 amends section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act to direct the Administrator or a State to not require a permit under the Federal Water Pollution Control Act for a discharge from a point source into navigable waters.

Sec. 9118. Discharges of pesticides

Section 9118 amends section 402 of the Federal Water Pollution Control Act by adding new subsection(s) to prevent the Administrator or a State from requiring a permit for a discharge into navigable waters of a pesticide authorized under the Federal Insecti-

cide, Fungicide, and Rodenticide Act except under listed circumstances.

Sec. 9119. Enactment of Pesticide Registration Improvement Act of 2017

Section 9119 enacts into law H.R. 1029 of the 115th Congress.

Part III—Amendments to the Plant Protection Act

Sec. 9121. Methyl bromide

Section 9121 amends section 419 of the Plant Protection Act to clarify the authorized uses of methyl bromide.

Subsection (a) of section 419 allows the Secretary of Agriculture or a State, local, or Tribal authority to authorize the qualified use of methyl bromide in response to an emergency event. Subsection (a) also requires that any State, local, or Tribal authority that authorizes such use notify the Secretary within 5 days of such determination. A State, local, or Tribal authority may not authorize the use of methyl bromide if the Secretary objects to the use within 5 days of the notification.

Subsection (b) of section 419 requires that a notification by any State, local, or Tribal government contain a certification of the authorization to use methyl bromide in response to an emergency event, a description of the emergency event and the economic loss that would result from such event, contact information for a designated responsible individual of the authority, the location of the emergency event including the total acreage of the event, the identity of the pests to be controlled, the total volume of methyl bromide to be used, and the anticipated date of such use.

Subsection (c) of section 419 allows the Secretary to object to an authorization of use within 5 days of receipt of notification by a State, local, or Tribal authority. The Secretary shall provide notification of the objection in writing, including reasons for such objection and any additional information that the Secretary would require to withdraw the objection. The Secretary may object to an authorization if the Secretary determines the notification does not contain all the information required, does not demonstrate the existence of an emergency event, or the qualified use does not comply with the enumerated limitations on use. Subsection (c) also allows the Secretary to withdraw an objection if, within 14 days of the transmission of the notification for authorized use, the State, local, or Tribal government submits additional information to the satisfaction of the Secretary. Upon issuance of the withdrawal, the State, local, or Tribal authority may authorize the use of methyl bromide subject to the limitations of qualified use.

Subsection (d) of section 419 deems the production, distribution, sale, shipment, application, or use of a pesticide containing methyl bromide pursuant to an authorization under this section to also be authorized under the Federal Insecticide, Fungicide, and Rodenticide Act, regardless of whether the use is registered under the Act and included on the approved label for the product.

Subsection (e) of section 419 limits the amount of methyl bromide that may be used per specific location of an emergency to 20 metric tons. Further, the aggregate amount of methyl bromide that may be used in the U.S. in a calendar year shall not exceed the total

amount authorized by the Montreal Protocol for critical use in the U.S. in calendar year 2011.

Subsection (f) of section 419 allows for the production or importation of methyl bromide in response to an emergency event, notwithstanding any other provision of law.

Subsection (g) of section 419 gives the Secretary exclusive authority for determining which species are considered quarantine pests.

Subsection (h) of section 419 includes definitions of relevant terms such as “emergency event,” “pests,” and “qualified use.”

Part IV—Amendments to Other Laws

Sec. 9131. Definition of retail facilities

Section 9131 amends section 6 of the Occupational Safety and Health Act of 1970 to codify an existing exemption for agricultural retailers from the U.S. Occupational Safety and Health Administration’s (OSHA) Process Safety Management (PSM) of Hazardous Chemicals standard.

SUBTITLE C—OTHER MATTERS

Sec. 9201. Report on regulation of plant biostimulants

Subsection (a) of section 9201 requires the Secretary, not later than 1 year after enactment, to submit a report to the President and Congress that identifies potential regulatory and legislative reforms to ensure the expeditious and appropriate review, approval, uniform national labeling, and availability of plant biostimulant products to agricultural producers.

Subsection (b) of section 9201 requires the Secretary to prepare the report required in subsection (a) in consultation with the Administrator of the EPA.

Subsection (c) of section 9201 defines “plant biostimulant” as a substance or micro-organism that, when applied to seeds, plants, or the rhizosphere, stimulates natural processes to enhance or benefit nutrient uptake, nutrient efficiency, tolerance to abiotic stress, or crop quality and yield.

Sec. 9202. Pecan marketing orders

Section 9202 amends section 8e(a) of the Agricultural Marketing Agreement Act of 1937 to add pecans to the list of imported agricultural products the Secretary has the authority to subject to marketing order terms and conditions regulating grade, size, quality, and maturity.

Sec. 9203. Report on honey and maple syrup

Section 9203 requires the Secretary to submit a report not later than 60 days after enactment examining the effect of the Nutrition and Supplemental Facts Labels final rule regarding the “added sugar” statement required on packaged food in which no sugar is added during processing, including pure honey and maple syrup.

TITLE X—CROP INSURANCE

Sec. 10001. Treatment of forage and grazing

Section 10001(a) amends section 508(b)(1) of the Federal Crop Insurance Act to strike the exception that provides that catastrophic risk protection plans shall not be available for crops and grasses used for grazing.

Section 10001(b) amends section 508(n)(2) of the Federal Crop Insurance Act to provide for an exception to the limitation on multiple benefits for the same loss for coverage described in the new section 508D of the Federal Crop Insurance Act.

Section 10001(c) amends the Federal Crop Insurance Act to include a new section 508D which permits separate crop insurance policies, including a catastrophic risk protection plan, to be purchased for crops that can be both grazed and mechanically harvested on the same acres during the same growing season.

Sec. 10002. Administrative basic fee

Section 10002 amends section 508(b)(5)(A) of the Federal Crop Insurance Act to increase the administrative basic fee from \$300 to \$500.

Sec. 10003. Prevention of duplicative coverage

Section 10003(a) amends section 508(c)(1) of the Federal Crop Insurance Act to make crops for which the producer has elected agriculture risk coverage, or that are enrolled in the stacked income protection plan, ineligible for coverage based on an area yield and loss basis, coverage based on a margin basis, or supplemental coverage.

Section 10003(b) makes conforming amendments.

Sec. 10004. Repeal of unused authority

Section 10004(a) amends section 508(d) of the Federal Crop Insurance Act to repeal the performance-based discount for producers.

Section 10004(b) makes conforming amendments.

Sec. 10005. Continued authority

Section 10005 amends section 508(g) of the Federal Crop Insurance Act to continue the use of actual production history in the Risk Management Agency's underwriting rules as in current law.

Sec. 10006. Program administration

Section 10006 amends section 516(b)(2)(C)(i) of the Federal Crop Insurance Act to extend the authority of the Federal Crop Insurance Corporation to pay costs that assist in maintaining program actuarial soundness and financial integrity.

Sec. 10007. Maintenance of policies

Section 10007(a) amends section 522(b) of the Federal Crop Insurance Act to provide more specificity on the types of costs for research and development costs related to policies that have been approved by the Federal Crop Insurance Corporation Board that are considered reasonable; clarity on entities that may charge a fee for

maintaining policies; and the circumstances under which a fee shall be disapproved.

Section 10007(b) provides that this section applies to reimbursement requests made on or after October 1, 2016, and that requests for reimbursement that were denied between October 1, 2016, and the date of enactment of this Act may be resubmitted.

Sec. 10008. Research and development priorities

Section 10008(a) amends section 522(c) of the Federal Crop Insurance Act to strike 16 completed studies and research and development contracts.

Section 10008(b) amends section 522(c)(7) of the Federal Crop Insurance Act to define “beginning farmer or rancher” for the purposes of research and development of whole farm insurance plans.

Section 10008(c) amends section 522(c) of the Federal Crop Insurance Act to require that the Federal Crop Insurance Corporation conduct research and development on a policy to insure certain crops due to losses due to tropical storms or hurricanes; the creation of a separate practice for subsurface irrigation; the difference in rates, average yields, and coverage levels of grain sorghum policies as compared to other feed grains within a county; and the establishment of an alternative method of adjusting for quality losses that does not impact the average production history of producers.

Sec. 10009. Extension of funding for research and development

Section 10009 amends section 522 of the Federal Crop Insurance Act to discontinue partnerships for risk management development and implementation, and to reauthorize the Commodity Credit Corporation’s ability to conduct research and development and carry out contracting and partnerships at not more than \$8,000,000 for fiscal year 2019 and each subsequent fiscal year.

Sec. 10010. Education and risk management assistance

Section 10010 amends section 524 of the Federal Crop Insurance Act to eliminate the crop insurance education and information program for targeted states carried out by the Risk Management Agency and the Agricultural Management Assistance Program, and to reauthorize the risk management education and assistance carried out through the National Institute of Food and Agriculture.

TITLE XI—MISCELLANEOUS

SUBTITLE A—LIVESTOCK

Sec. 11101. Animal Disease Preparedness and Response

Subsection (a) of section 11101 amends the Animal Health Protection Act by inserting after section 10409A a new Section 10409B to establish the National Animal Preparedness and Response Program to address the risk of introduction and spread of animal diseases that have an adverse effect on the livestock and related industries of the United States. The subsection defines eligible entities for purposes of the program; directs the Secretary to enter into cooperative agreements with such eligible entities to carry out listed program activities; gives priority to applications from a State department of agriculture, the office of the chief animal health officer of a State, and eligible entities carrying out programs in States or

regions with known factors contributing to the increased risk of animal pest or disease; outlines an application process and consultation process for setting program priorities; and establishes reporting requirements for eligible entities that have completed activities using program funds.

Subsection (b) of section 11101 amends the Animal Health Protection Act by inserting after new Section 10409B, 10409C to establish a National Animal Health Vaccine Bank for the benefit of the domestic interests of the United States and to help protect the United States agriculture and food systems against terrorist attack, major disaster, and other emergencies. The subsection requires the Secretary to maintain within the bank, sufficient quantities of animal vaccine, antiviral, therapeutic, or other diagnostic products to appropriately and rapidly respond to an outbreak of animal disease, leveraging when appropriate, the infrastructure developed for the management of the National Veterinary Stockpile. The subsection further requires the Secretary to prioritize the acquisition of foot and mouth disease vaccine and accompanying diagnostic products and to consider contracting with one or more entities capable of producing the vaccine that have surge production capacity.

Subsection (c) of section 11101 amends section 10417 of the Animal Health Protection Act to provide mandatory funding of \$250,000,000 for fiscal year 2019 to remain available until expended, of which \$30,000,000 shall be made available to carry out the National Animal Health Laboratory Network, \$70,000,000 shall be made available to carry out the National Animal Disease Preparedness and Response Program, and \$150,000,000 shall be made available to establish and maintain the National Animal Health Vaccine Bank. The subsection provides \$50,000,000 in mandatory funding for fiscal years 2020 through 2023 to remain available to be expended, of which \$30,000,000 shall be made available each year to carry out the National Animal Disease Preparedness and Response Program, and reauthorizes annual appropriations of \$15,000,000 to carry out the National Animal Health Laboratory through 2023. Finally, the subsection limits administrative program costs; allows for proceeds from vaccine sales to be credited to the account for operation and maintenance of the vaccine bank; prohibits the use of program funds on the construction of new facilities; and makes a necessary conforming amendment.

Sec. 11102. National Aquatic Animal Health Plan

Section 11102 amends section 11013(d) of the Food, Conservation, and Energy Act of 2008 to reauthorize the national aquatic animal health program through 2023.

Sec. 11103. Veterinary training

Section 11103 amends section 10504 of the Farm Security and Rural Investment Act of 2002 to authorize the Secretary to maintain in all regions of the United States veterinary teams, including those based at colleges of veterinary medicine, who are capable of providing effective response services before, during and after emergencies.

Sec. 11104. Report on FSIS guidance and outreach to small meat processors

Section 11104 requires the USDA Inspector General, not later than one year after enactment of this Act, to conduct a study on the effectiveness of existing FSIS guidance materials and other tools used by small and very small establishments, as defined by FSIS regulations, and provide recommendations on measures FSIS should take to improve regulatory clarity and consistency.

SUBTITLE B—BEGINNING, SOCIALLY DISADVANTAGED, AND VETERAN PRODUCERS

Sec. 11201. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers

Section 11201 amends section 2501(a)(4) of the Food, Agriculture, Conservation, and Trade Act of 1990 to reauthorize mandatory funding of \$10,000,000 for each fiscal year and reauthorize appropriations of \$20,000,000 for each fiscal year through 2023. The section also establishes a priority for projects that deliver agricultural education and provide agricultural employment or volunteer opportunities to youth in underserved and underrepresented communities.

Sec. 11202. Office of Partnerships and Public Engagement

Subsection (a) of section 11202 changes the name of the Office of Advocacy and Outreach to the Office of Partnerships and Public Engagement and updates references to such Office accordingly.

Subsection (b) of Section 11202 expands the purposes of the Office to expand outreach to limited resource producers, veteran farmers and ranchers, tribal farmers and ranchers, and to promote youth outreach.

Subsection (c) of section 11202 amends section 226B(f)(3)(B) of the Department of Agriculture Reorganization Act of 1994 to reauthorize appropriations of \$2,000,0000 each fiscal year for the program through 2023.

Subsection (d) of section 11202 makes a conforming amendment to section 309 of the Department of Agriculture Reorganization Act of 1994.

Sec. 11203. Commission on Farm Transitions—Needs for 2050

Subsection (a) of section 11203 establishes the Commission on Farm Transitions-Needs for 2050.

Subsection (b) of section 11203 requires that the Commission conduct a study on issues impacting the transition of agricultural operations from established farmers and ranchers to the next generation of farmers and ranchers.

Subsection (c) of section 11203 outlines the membership composition of the Commission, which shall consist of 10 total members including three members appointed by the Secretary, 3 members appointed by the Committee on Agriculture, Nutrition, and Forestry of the Senate, 3 members appointed by the Committee on Agriculture of the House of Representatives, and the Chief economist of the Department of Agriculture. Subsection (c) requires that members be appointed no later than 60 days after enactment of this Act; establishes that member terms shall be for the life of the

Commission; and requires that the initial meeting of the Commission occur not later than 30 days after all members have been appointed.

Subsection (d) of section 11203 establishes quorum requirements for purposes of conducting meetings and hearings.

Subsection (e) of section 11203 requires the Secretary to appoint one of the Commission members as Chairperson of the Commission.

Subsection (f) of section 11203 requires the Commission to, not later than one year after enactment of this Act, submit to the President, Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Committee on Agriculture of the House of Representatives a report containing the results of the study required under subsection (b).

Subsection (g) of section 11203 authorizes the Commission to hold hearings, meet, take testimony, and receive evidence as the Commission considers advisable to carry out this section.

Subsection (h) of section 11203 authorizes the Commission to secure information directly from a Federal agency that the Commission considers necessary to carry out this section.

Subsection (i) of section 11203 authorizes the Commission to use the United States mail in the same manner as other Federal agencies.

Subsection (j) of section 11203 authorizes the Secretary to provide the Commission office space and reasonable administrative support services.

Subsection (k) of section 11203 establishes compensation levels for Commission members.

Subsection (l) of section 11203 exempts the Commission from the requirements of the Federal Advisory Committee Act.

Sec. 11204. Agricultural youth organization coordinator

Section 11204 amends Subtitle A of the Department of Agriculture Reorganization Act of 1994 by adding at the end, new section 221 to authorize the Secretary to establish the position of Agricultural Youth Organization Coordinator. Such coordinator shall, among other duties, promote the role of youth-serving organizations and school-based agricultural education; serve as a resource for assisting young farmers in applying for participation in agricultural programs; and advocate on behalf of young farmers in interactions with employees of the Department.

SUBTITLE C—TEXTILES

Sec. 11301. Repeal of Pima Agriculture Cotton Trust Fund

Section 11301 repeals Section 12314 of the Agricultural Act of 2014.

Sec. 11302. Repeal of Agriculture Wool Apparel Manufacturers Trust Fund

Section 11302 repeals Section 12315 of the Agricultural Act of 2014.

Sec. 11303. Repeal of wool research and promotion grants funding

Section 11303 repeals Section 12316 of the Agricultural Act of 2014.

Sec. 11304. Textile Trust Fund

Section 11304(a) establishes the Textile Trust Fund for the purposes of reducing injury for certain domestic manufacturers resulting from tariffs on certain cotton and wool products that are higher than tariffs on certain cotton and wool apparel articles made from those products.

Section 11304(b) and (c) provide for the distribution of funds from the Textile Trust Fund.

Section 11304(d) provides for the timing of distributions of funds from the Textile Trust Fund.

Section 11304(e) authorizes the Textile Trust Fund through 2023 and provides funding. The section also provides mandatory funding to carry out section 209 of the Agricultural Marketing Act of 1946.

SUBTITLE D—UNITED STATES GRAIN STANDARDS ACT

Sec. 11401. Restoring certain exceptions to United States Grain Standards Act

Section 11401(a) restores certain exceptions to the United States Grain Standards Act where an agreement between an eligible grain handling facility and the official agency has been reached and the Secretary of Agriculture has been notified of such agreement.

Section 11401(b) provides that grain handling facilities that were previously granted exceptions and had such exceptions revoked on or after September 30, 2015, may have exceptions restored.

Section 11401(c) provides that after the date of enactment of the Act, an exception may only be terminated if two or more of the parties to the exception agree to termination.

SUBTITLE E—NONINSURED CROP DISASTER ASSISTANCE PROGRAM

Sec. 11501. Eligible crops

Section 11501 amends section 196(a) of the Federal Agriculture Improvement and Reform Act to define ‘eligible crops’ for the purposes of non-insured assistance as commercial crops or other agricultural commodities which are produced for food or fiber (except livestock) for which catastrophic risk protection or certain additional coverage is not available.

Sec. 11502. Service fee

Section 11502 amends section 196(k) of the Federal Agriculture Improvement and Reform Act of 1996 to increase the service fees for eligible crops to the lesser of \$350 per crop per county or \$1,050 per producer per county, but not to exceed a total of \$2,100 per producer.

Sec. 11503. Payments equivalent to additional coverage

Section 11503(a) amends section 196(l) of the Federal Agriculture Improvement and Reform Act of 1996 to add the producer’s share of the crop to the list of multipliers available to calculate the serv-

ice fee or premium required to be paid by the producer in order to receive payments under noninsured assistance.

Section 11503(b) strikes an obsolete paragraph.

Section 11503(c) reauthorizes the program through 2023.

SUBTITLE F—OTHER MATTERS

Sec. 11601. Under Secretary of Agriculture for Farm Production and Conservation

Section 11601 updates references to the Under Secretary of Agriculture for Farm Production and Conservation and other designated department official in various acts.

Sec. 11602. Authority of Secretary to carry out certain programs under Department of Agriculture Reorganization Act of 1994

Section 11602 amends the Department of Agriculture Reorganization Act of 1994 to provide that the Secretary has the authority to carry out amendments made to that Act by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018, and this Act.

Sec. 11603. Conference report requirement threshold

Section 11603 amends the threshold for reporting conferences to \$75,000.

Sec. 11604. National agriculture imagery program

Section 11604(a) requires the Secretary of Agriculture to carry out a national agriculture imagery program.

Section 11604(b) sets forth the requirements for the aerial imagery acquired under the national agriculture imagery program.

Section 11604(c) provides an authorization of supplemental satellite imagery.

Section 11604(d) provides an authorization of appropriations for the program.

Sec. 11605. Report on inclusion of natural stone products in Commodity Promotion, Research, and Information Act of 1996

Section 11605 requires the Secretary to provide a report on the potential inclusion of “products of natural stone” under the Commodity Promotion, Research, and Information Act of 1996.

Sec. 11606. South Carolina Inclusion in Virginia/Carolina Peanut Producing Region

Section 11606 amends section 1308(c)(2)(B)(iii) of the Farm Security and Rural Investment Act of 2002 to add South Carolina to the Virginia/Carolina peanut producing region for the purposes of membership on the Peanut Standards Board.

Sec. 11607 Establishment of Food Loss and Waste Reduction Liaison

Section 11607 amends Subtitle A of the Department of Agriculture Reorganization Act of 1994, as amended by section 12202, to add at the end a new section 222 establishing within the Office of the Secretary, a Food Loss and Waste Reduction Liaison to co-

ordinate Federal programs to measure and reduce the incidence of food loss and waste.

Sec. 11608 Cotton classification services

Section 11608 amends section 3a of the Act of March 3, 1927 to provide that employees hired to provide cotton classification services may work up to 240 calendar days in a service year and may be rehired every year if they meet certain expectations.

COMMITTEE CONSIDERATION

I. HEARINGS

The Committee on Agriculture and the six Subcommittees held 21 hearings during the 115th Congress in anticipation of the 2018 Farm Bill.

On February 15, 2017, the Full Committee held a hearing entitled, “Rural Economic Outlook: Setting the Stage for the Next Farm Bill” where the following witnesses testified on matters included in H.R. 2:

- Dr. Robert Johansson, Chief Economist, United States Department of Agriculture, Washington, D.C.
- Dr. Nathan S. Kauffman, Assistant Vice President and Omaha Branch Executive, Federal Reserve Bank of Kansas City, Omaha Branch, Omaha, NE
- Dr. Joe L. Outlaw, Professor and Extension Economist, and Co-Director of the Agricultural and Food Policy Center, Texas A&M University, Department of Agricultural Economics, College Station, TX
- Dr. Patrick Westhoff, Professor, Director for the Food and Agricultural Policy Research Institute, University of Missouri, Columbia, MO
- Dr. D. Scott Brown, State Agricultural Extension Economist and Assistant Professor, University of Missouri, Columbia, MO

This hearing focused on the current state of the rural economy. Witnesses were five economists from USDA, the Federal Reserve, and land-grant universities who provided data and perspective on the significant challenges facing America’s farmers, ranchers, and their rural neighbors. With net farm income expected to be down 50 percent over four years from its peak in 2013, concerns on the economic realities are front and center for the upcoming discussion on the farm bill. Producers need a reliable farm safety net that provides reliable risk management tools in periods of low prices. Witnesses described their concerns on the economy, but also some bright spots when comparing the current situation to the farm crisis of the 1980s. Dairy and cotton were both of particular focus of questions, with the economists on the panel providing perspective on their concerns with markets and current policy for those commodities.

On February 16, 2017, the Full Committee held a hearing entitled, “Pros and Cons of Restricting SNAP Purchases” where the following witnesses testified on matters included in H.R. 2:

- Dr. Angela K. Rachidi, Research Fellow in Poverty Studies, American Enterprise Institute, Washington, D.C.

- Dr. Diane Whitmore Schanzenback, Director, The Hamilton Project, Senior Fellow, Economic Studies, Brookings Institution, Washington, D.C.
- Ms. Leslie G. Sarasin, President and CEO, Food Marketing Institute, Arlington, VA
- Mr. John Weidman, Deputy Executive Director, The Food Trust, Philadelphia, PA
- Dr. Brian Wansink, John S. Dyson Professor of Marketing and Director of the Cornell University Food and Brand Lab, Ithaca, NY

In this hearing Members discussed the implications of further restricting what can be purchased with SNAP dollars, the implementation process for retailers, and the impact that restrictions, incentives, and nutrition education have on consumer behavior change. The hearing focused on the best avenue to improve the diets of low-income Americans. Members heard from a variety of perspectives related to the impact of restricting food purchases within SNAP; and their applicable impacts on health, behavior patterns, as well as from a representative from the retail industry.

On February 28, 2017, the Subcommittee on Conservation and Forestry held a hearing entitled, “The Next Farm Bill: Conservation Policy” where the following witnesses testified on matters included in H.R. 2:

- Mr. Chuck Coffey, Owner/Manager, Double C Cattle Company, Davis, OK; on behalf of the National Cattlemen’s Beef Association
- Mr. Timothy Gertson, Co-Owner/Co-Operator, G5 Farms; Member, USA Rice Federation Board of Directors, Lissie, TX
- Mr. Jeremy Peters, Chief Executive Officer, National Association of Conservation Districts, Washington, D.C.; on behalf of Mr. Lee McDaniel, Immediate Past President, NACD
- Mr. David E. Nomsen, Vice President of Governmental Affairs, Pheasants Forever, Inc., Garfield, MN
- The Honorable John F. Piotti, President, American Farmland Trust, Washington, D.C.

This Subcommittee hearing evaluated reforms made to the conservation title (Title II) in the past farm bill. Under the 2014 Farm Bill, conservation programs were consolidated and reformed to provide flexibility and to reduce duplication across programs. The farm bill provides farmers, ranchers, foresters, and landowners with voluntary, incentive-based financial and technical assistance for conservation practices. Testimony provided feedback on consolidation as well as suggestions for policy changes in the next farm bill. The need for technical assistance was a priority for all the witnesses, for working lands programs and land retirement programs. All witnesses supported incentive-based, voluntary conservation as the best way to provide benefits to the environment, the farmer, the public, and wildlife.

On February 28, 2017, the Subcommittee on Livestock and Foreign Agriculture held a hearing entitled, “The Next Farm Bill: International Market Development” where the following witnesses testified on matters included in H.R. 2:

- Dr. Gary Williams, Professor of Agricultural Economics & Co-Director of the Food, Agribusiness, and Consumer Econom-

ics Research Center, Texas A&M University, College Station, TX

- The Honorable Joseph E. Steinkamp, Member, American Soybean Association Board of Directors, Evansville, IN; on behalf of the Coalition to Promote U.S. Agriculture Exports and the Agribusiness Coalition for Foreign Market Development
- Mr. Tim Hamilton, Executive Director, Food Export—Midwest and Food Export—Northeast, Chicago, IL
- Mr. Philip Seng, President & CEO, U.S. Meat Export Federation, Denver, CO
- Mr. Dean Alanko, Vice President of Sales and Marketing, Allegheny Wood Products, Petersburg, WV; on behalf of the Hardwood Federation
- Mr. Paul Wenger, almond grower and President, California Farm Bureau, Sacramento, CA

Through this hearing, the Committee sought to develop a better understanding of, and record of support for, USDA's trade promotion and market development programs—namely the Market Access Program (MAP) and the Foreign Market Development (FMD) program. Witnesses made clear the importance of these programs in opening and developing new markets for U.S. products overseas, especially in the face of uncertainty regarding the status of existing and future trade agreements.

On March 9, 2017, the Subcommittee on Commodity Exchanges, Energy, and Credit held a hearing entitled, “The Next Farm Bill: Rural Development and Energy Programs” where the following witnesses testified on matters included in H.R. 2:

- The Honorable Bob Fox, Chair, Renville County Board of Commissioners; Member, National Association of Counties Board of Directors, Franklin, MN
- Mr. Dennis L. Chastain, President & CEO, Georgia EMC, Tucker, GA; on behalf of NRECA
- Mr. Steve Fletcher, Manager & Operator, Washington County Water Company; President, National Rural Water Association, Nashville, IL
- Mr. R. Craig Cook, Chief Operations Officer, Hill Country Telephone Cooperative, Inc., Ingram, TX; on behalf of NTCA
- Mr. John Duff, Strategic Business Director, National Sorghum Producers, Lubbock, TX
- The Honorable James C. Greenwood, President and CEO, Biotechnology Innovation Organization, Washington D.C.

Through this hearing, the Committee reviewed the portfolio of rural development and energy programs administered by the U.S. Department of Agriculture. The Committee heard from a broad array of stakeholders who shared their views on how the rural development and renewable energy loan and grant programs promote economic growth and rural revitalization.

On March 9, 2017, the Subcommittee on Biotechnology, Horticulture, and Research held a hearing entitled, “The Next Farm Bill: Specialty Crops” where the following witnesses testified on matters included in H.R. 2:

- Mr. James Field, Jr., Director of Business Development, Frey Farms, LLC, Keenes, IL
- Mr. N. Larry Black, Jr., General Manager, Peace River Packing Company, Ft. Meade, FL

- Mr. Sean Gilbert, General Manager, Gilbert Orchards, Inc. and Sundquist Fruit, Yakima, WA
- Mr. Jay Hill, Owner-Operator, Hill Farms and Wholesome Valley Farms, Mesilla Park, NM
- Ms. Laura Davis, Co-Owner/Co-Operator, Long Life Farm; President, Northeast Organic Farming Association—Massachusetts Chapter Board of Directors, Hopkinton, MA

This hearing continued a series of subcommittee hearings that set the stage for the next farm bill. The hearing evaluated the effectiveness of the 2014 Farm Bill programs aimed at benefiting specialty crop production, which can be found in multiple titles. Witnesses raised concerns on a host of different programs, such as research funding, pest and disease control, trade promotion programs, and immigration policy.

On March 16, 2017, the Subcommittee on Biotechnology, Horticulture, and Research held a hearing entitled, “The Next Farm Bill: Agricultural Research” where the following witnesses testified on matters included in H.R. 2:

- Dr. Jay T. Akridge, Glenn W. Sample Dean of Agriculture, Purdue University, West Lafayette, IN; on behalf of APLU
- Mr. Richard Wilkins, Chairman American Soybean Association; Vice President, National Coalition for Food and Agricultural Research, Greenwood, DE
- Dr. James C. Carrington, President, Donald Danforth Plant Science Center, St. Louis, MO

This hearing explored agricultural research (Title VII of the 2014 Farm Bill). The witnesses provided a general overview of the topic, stressing the important role that research plays in ensuring that American agriculture remains competitive and capable of addressing growing needs around the world. The witnesses also highlighted growing concerns over declining public investment in agricultural research and the fact that other countries are now significantly outpacing the United States in terms of agricultural research investment.

On March 16, 2017, the Subcommittee on Conservation and Forestry held a hearing entitled, “The Next Farm Bill: Forestry Initiatives” where the following witnesses testified on matters included in H.R. 2:

- Mr. George Geissler, C.F., Oklahoma State Forester, Vice President, National Association of State Foresters, Oklahoma City, OK
- Ms. Susan Benedict, Managing Partner, Beartown Family Limited Partnership, State College, PA
- Mr. Jim D. Neiman, President & CEO, Neiman Enterprises, Inc.; President, Federal Forest Resource Coalition, Hulett, WY
- Ms. Rebecca A. Humphries, Chief Conservation and Operations Officer, National Wild Turkey Federal, Edgefield, SC
- Mr. Tom Harbour, Retired National Director, Fire & Aviation Management, U.S. Forest Service; Founder, Harbour Fire Consulting, Falls Church, VA

In the hearing the witnesses evaluated the effectiveness of farm bill authorized provisions that impact Forest Service managed lands, as well as state and private forestry. The focus was on the forestry, conservation, and energy titles of the 2014 Farm Bill. Of

particular interest to Members and the witnesses was the effect that management decisions had on catastrophic wildfires. They discussed challenges to reducing fuel loads through the removal of timber and biomass, and needed technical assistance for private forests owners to manage properly. Witnesses also testified about the importance of markets for wood products to drive forest management.

On March 21, 2017, the Subcommittee on Nutrition held a hearing entitled, “The Next Farm Bill: Nutrition Distribution Programs” where the following witnesses testified on matters included in H.R. 2:

- Ms. Carrie Calvert, Director of Tax and Commodity Policy, Feeding America, Washington, D.C.
- Mr. Frank Kubik, CSFP Director, Focus: HOPE, Detroit, MI
- Mr. Jerry Tonubbee, Director—Food Distribution Program, Choctaw Nation of Oklahoma, Durant, OK
- Ms. Diane Kriviski, Deputy Administrator Supplemental Nutrition and Safety Programs, Food and Nutrition Service, USDA, Alexandria, VA

This hearing provided Members with operational and policy perspectives associated with three food distribution programs within the nutrition title: The Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP), and the Food Distribution Program on Indian Reservations (FDPIR). Witnesses provided information on how USDA Foods are distributed, associated eligibility criteria and legal authority, as well as how these distribution programs differ from one another, how they interact, and how TEFAP, CSFP, and FDPIR, along with the Supplemental Nutrition Assistance Program (SNAP), strengthen the nutrition safety net and provide support to citizens in need.

On March 21, 2017, the Subcommittee on Livestock and Foreign Agriculture held a hearing entitled, “The Next Farm Bill: Livestock Producer Perspectives” where the following witnesses testified on matters included in H.R. 2:

- Mr. Craig Uden, President, National Cattlemen’s Beef Association, Johnson Lake, NE
- Mr. Carl Wittenburg, Chairman, National Turkey Federation, Alexandria, MN
- Mr. Bob Buchholz, Region V Executive Board Representative, American Sheep Industry Association, Eldorado, TX
- Mr. David D. Herring, Vice President and Board Member, National Pork Producers Council, Newton Grove, NC

Despite the lack of a formal “livestock title” in the most recent farm bill, livestock producers participate in a variety of U.S. Department of Agriculture (USDA) programs and initiatives. This hearing gave representatives from four of the major livestock producer groups the opportunity to discuss their experiences with existing programs and initiatives, as well as an opportunity to generally discuss the issues facing the livestock industry, and namely, to lay out their priorities for the upcoming farm bill.

On March 22, 2017, the Full Committee held a hearing entitled, “The Next Farm Bill: Dairy Policy” where the following witnesses testified on matters included in H.R. 2:

- Mr. James Mulhern, President and CEO, National Milk Producers Federation, Arlington, VA
- Dr. Michael D. Dykes, President and CEO, International Dairy Foods Association, Washington, D.C.

This hearing reviewed current dairy policy and explored options to make it more effective for farmers in the next farm bill. The witnesses provided a general overview of the state of the dairy industry, which is experiencing an extended period of low prices. They discussed the effectiveness of the Margin Protection Program (MPP), which was crafted in the 2014 Farm Bill during a time when dairy farmers were dealing with record feed costs that were squeezing margins on the farm. Witnesses also touched on international issues that have arisen, hindering their ability to sell their products overseas in markets that they have become increasingly dependent upon.

On March 28, 2017, the Subcommittee on General Farm Commodities and Risk Management held a hearing entitled, “The Next Farm Bill: Commodity Policy—Part 1” where the following witnesses testified on matters included in H.R. 2:

- Mr. Wesley Spurlock, President, National Corn Growers Association, Stratford, TX
- Mr. Ron Moore, President, American Soybean Association, Roseville, IL
- Mr. David K. Schemm, President, National Association of Wheat Growers, Sharon Springs, KS
- Mr. Peter Friederichs, President, National Barley Growers Association, Foxhome, MN
- Mr. Dan Atkisson, Vice Chairman, National Sorghum Producers, Stockton, KS

This was a continuation of a series of subcommittee hearings to set the stage for the next farm bill, and the first to concentrate on provisions in the commodities (Title I) and crop insurance titles (Title XI). The hearing focused on how the farm safety net of the 2014 Farm Bill has performed thus far and what changes will need to be made in the next farm bill. Testimonies expressed the justifications for farm policy, its importance to farmers, and contained recommendations to improve the safety net. Witnesses were producers representing the national associations for corn, soybeans, wheat, barley, and grain sorghum producers.

On March 28, 2017, the Subcommittee on Nutrition held a hearing entitled, “The Next Farm Bill: The Future of SNAP” where the following witnesses testified on matters included in H.R. 2:

- Ms. Stacy Dean, Vice President for Food Assistance Policy, Center on Budget and Policy Priorities, Washington, D.C.
- Mr. Russell Sykes, Director, Center for Employment and Economic Well-Being, American Public Human Services Association, Washington, D.C.
- Mr. Joseph “Joe” Arthur, Executive Director, Central Pennsylvania Food Bank, Harrisburg, PA
- Mr. Josh Protas, Vice President of Public Policy, MAZON—A Jewish Response to Hunger, Washington, D.C.
- Ms. Jennifer Hatcher, Chief Public Policy Officer and Senior Vice President, Government and Public Affairs, Food Marketing Institute, Arlington, VA

The House Committee on Agriculture completed a comprehensive review of the Supplemental Nutrition Assistance Program (SNAP) during the 114th Congress. Known as the *Past, Present, and Future of SNAP*, the purpose of the review was to provide a better understanding of SNAP, the population it serves, how the program administers food benefits and other services to assist that population, and to examine ways the program can be improved. This hearing provided an additional opportunity for stakeholders and Members to discuss priorities for improvements to SNAP in the upcoming farm bill, including fostering adequate nutrition, improving self-sufficiency, bettering outcomes for children and families via education, and continuing to improve program efficiency and integrity.

On April 4, 2017, the Subcommittee on General Farm Commodities and Risk Management held a hearing entitled, “The Next Farm Bill: Commodity Policy—Part 2” where the following witnesses testified on matters included in H.R. 2:

- Mr. Ronnie Lee, Chairman, National Cotton Council, Bronwood, GA
- Mr. Blake Gerard, Chairman, USA Rice Farmers Board of Directors, Cape Girardeau, MO; on behalf of USA Rice Federation
- The Honorable Timothy E. McMillan, Co-Founder and Co-Owner, Southern Grace Farms, Enigma, GA; on behalf of Southern Peanut Farmers Federation
- Mr. Robert Rynning, President, U.S. Canola Association, Kennedy, MN; on behalf of the National Sunflower Association
- Mr. Jack Roney, Director of Economics and Policy Analysis, American Sugar Alliance, Arlington, VA

This was a continuation of a series of subcommittee hearings to set the stage for the next farm bill, and the second to concentrate on provisions in the commodities (Title I) and crop insurance titles (Title XI). The hearing focused on how the farm safety net of the 2014 Farm Bill has performed thus far and what changes will need to be made in the next farm bill. Testimonies expressed the justifications for farm policy, its importance to farmers, and contained recommendations to improve the safety net. Witnesses were representatives of the national associations for cotton, rice, peanut, oilseed, and sugar producers.

On April 4, 2017, the Subcommittee on Commodity Exchanges, Energy, and Credit held a hearing entitled, “The Next Farm Bill: Credit Programs” where the following witnesses testified on matters included in H.R. 2:

- Mr. Douglas Thiessen, CEO, Alabama Ag Credit, Montgomery, AL; on behalf of the Farm Credit System
- Mr. Timothy L. Buzby, President and Chief Executive Officer, Federal Agricultural Mortgage Corporation, Washington, D.C.
- Mr. Nathan E. Franzen, President, Ag Division, First Dakota National Bank, Yankton, SD; on behalf of American Bankers Association
- Mr. Steven J. Handke, President & CEO, The Union State Bank of Everest; At-Large Director, Independent Community Bankers of America, Everest, KS

- Mr. W. Scott Marlow, Executive Director, Rural Advancement Foundation International USA, Pittsboro, NC; on behalf of the National Sustainable Agriculture Coalition

During this hearing the Committee evaluated the effectiveness of the Farm Service Agency credit programs authorized by the Committee through the farm bill. The focus stayed on the decline in net farm income and how all lending institutions are adjusting to the changing needs of producers in these economic times. Witnesses spoke to the importance of all programs, both direct and guaranteed, to their ability to provide reliable credit to producers of all kinds. Additional discussion surrounded the use of Farmer Mac as a secondary market for agricultural banks to continue to serve customers for years to come.

On June 7, 2017, the Full Committee on Agriculture held a hearing entitled, “The Next Farm Bill: The Future of International Food Aid and Agricultural Development” where the following witnesses testified on matters included in H.R. 2:

- Mr. Ronald J. Suppes, dryland wheat and sorghum producer, Dighton, KS; on behalf of U.S. Wheat Associates
- Ms. Margaret Schuler, Senior Vice President of the International Programs Group, World Vision—U.S., Washington, D.C.
- Ms. Navyn Salem, Founder and Chief Executive Officer, Edesia Inc., Kingstown, RI
- Mr. Brian W. Schoeneman, J.D., Political and Legislative Director, Seafarers International Union (AFL–CIO), Washington, D.C.; on behalf of USA Maritime
- Dr. Thomas S. Jayne, Foundation Professor of Agricultural, Food, and Resource Economics, Michigan State University, Kalamazoo, MI; on behalf of the Farm Journal Foundation

The purpose of this hearing was to build on extensive work done by the Committee during the 114th Congress reviewing U.S. international food aid and agriculture development programs. Witnesses representing a broad range of stakeholder viewpoints discussed how the Administration’s recent budget proposal would be detrimental to their work. Testimony was provided on behalf of a commodity group, a private voluntary organization (PVO), a Ready-to-Use-Food (RUTF) manufacturer, a maritime coalition, and a non-profit policy foundation. The hearing explored how programs eliminated or reduced within the President’s budget proposal actually are a strong fit within the current Administration’s ‘America First’ policy based on job creation, national security, commodity usage, and other benefits. Members asked questions related to potential policy changes as they prepare to craft the upcoming farm bill.

On June 8, 2017, the Subcommittee on Nutrition held a hearing entitled, “The Next Farm Bill: SNAP Technology and Modernization” where the following witnesses testified on matters included in H.R. 2:

- Mr. Jason Boswell, Vice President for Programs, Conduent, State and Local Solutions, Inc., Florham Park, NJ
- Mr. Steve Mathison, Senior Vice President of Network Relations, First Data Corporation, Washington, D.C.
- Ms. Vickie Yates Brown Glisson, J.D., Secretary, Kentucky Cabinet for Health and Family Services, Frankfort, KY

- Ms. Lauren Aaronson, Assistant Deputy Commissioner, Office of Business Process Innovation, New York City Human Resources Administration, New York, NY

The House Committee on Agriculture completed a comprehensive review of the Supplemental Nutrition Assistance Program (SNAP) during the 114th Congress. Known as the Past, Present, and Future of SNAP, the purpose of the review was to provide a better understanding of SNAP, the population it serves, how the program administers food benefits and other services to assist that population, and to examine ways the program can be improved. This hearing focused on technology and modernization, including areas that strengthen program integrity, improve the customer experience, streamline delivery of services, and ease administrative burden. Witnesses reinforced this discussion via testimony on eligibility and issuance systems, customer-facing technologies, and business enhancements.

On June 22, 2017, the Full Committee on Agriculture held a hearing entitled, “The Next Farm Bill: University Research” where the following witnesses testified on matters included in H.R. 2:

- The Honorable Robert L. Duncan, J.D., Chancellor, Texas Tech University System, Lubbock, TX
- Dr. Jacqueline K. Burns, Dean for Research and Director, University of Florida Institute of Food and Agricultural Sciences, Florida Agricultural Experiment Station, Gainesville, FL
- The Honorable Glenda Humiston, Ph.D., Vice President, Agriculture and Natural Resources, University of California, Oakland, CA
- Dr. Walter H. Hill, Dean of the College of Agriculture, Environment and Nutrition Sciences and Vice Provost for Land-Grant University Affairs, Tuskegee University, Tuskegee, AL
- Dr. Steven H. Tallant, President, Texas A&M University—Kingsville, Kingsville, TX
- Ms. Carrie L. Billy, J.D., President and CEO, American Indian Higher Education Consortium, Alexandria, VA

The purpose of this hearing was to highlight the importance of agricultural research conducted by the U.S. university system, and to discuss pressing issues facing these institutions including deferred maintenance of research infrastructure and facilities. Witnesses represented a variety of university types including a non-land-grant agriculture institution, two “1862s” conventional land-grant institutions, a “1890s” historically black institution, a representative of the “1994s” tribal institutions, and a Hispanic-serving agriculture institution. The hearing explored how various funding streams impact university agricultural research and examples of successful research innovations. Provided testimony covered areas such as research prioritization, infrastructure needs, and funding types. Members asked questions related to agricultural research funding and potential policy changes as they prepare to craft the upcoming farm bill.

On July 12, 2017, the Full Committee on Agriculture held a hearing entitled, “The Next Farm Bill: Technology and Innovation in Specialty Crops” where the following witnesses testified on matters included in H.R. 2:

- Mr. Paul J. Wenger, President, California Farm Bureau Federation, Sacramento, CA
- Mr. Paul Heller, Vice President, Wonderful Citrus, Texas Division, Mission, TX
- Mr. Gary E. Wishnatzki, Owner and CEO, Wish Farms, Plant City, FL
- Mr. Kevin Murphy, Chief Executive Officer, Driscoll's, Inc., Watsonville, CA
- Mr. Andrew W. LaVigne, President and CEO, American Seed Trade Association, Alexandria, VA

The purpose of this hearing was to highlight innovation in the specialty crop industry and discuss ways the next farm bill can further benefit specialty crop producers. Witnesses represented various parts of the specialty crop industry including producers, a marketer, a mechanization start-up co-founder, a state agriculture federation representative, and a trade association official. Provided testimony focused largely on the impact of the agricultural labor shortfall on specialty producers and the witnesses' experiences with farm bill programs such as marketing and promotion, research and extension, plant pest and disease protections, and crop insurance. The Chairman shared comments related to the need for increased public understanding that despite being treated differently than many row crops within the farm safety net, a variety of supports are in place for specialty crops that should not be overlooked. Members asked questions related to specialty producers' involvement in current USDA programs and potential policy changes as they prepare to craft the upcoming farm bill, as well as plant breeding and consumer acceptance of new technologies.

On July 18, 2017, the Subcommittee on Nutrition held a hearing entitled, "The Next Farm Bill: Pathways to Success for SNAP Households" where the following witnesses testified on matters included in H.R. 2:

- Dr. Harry J. Holzer, John LaFarge Jr., SJ Professor of Public Policy, McCourt School of Public Policy, Georgetown University, Washington, D.C.
- Mr. Eliyahu Lotzar, M.S.W., Student Success Coordinator, Onondaga Community College Department of Economic & Workforce Development, Syracuse, NY
- Ms. Heather Reynolds, President and CEO, Catholic Charities Fort Worth, Fort Worth, TX

The House Committee on Agriculture completed a comprehensive review of the Supplemental Nutrition Assistance Program (SNAP) during the 114th Congress. Known as the *Past, Present, and Future of SNAP*, the purpose of the review was to provide a better understanding of SNAP, the population it serves, how the program administers food benefits and other services to assist that population, and to examine ways the program could be improved. This hearing allowed for discussion of career and education pathway approaches that could facilitate improved opportunities for SNAP recipients and households to succeed in the labor market. Witnesses reinforced this discussion via testimony on the labor market, curriculum development and soft skill education, and the importance of case management as an enhancement to work-specific programming.

In addition to the Committee's farm bill hearings in the 115th Congress outlined above, the Committee held six listening sessions entitled, "Farm Bill Listening Sessions: Conversations in the Field". The listening sessions were held in the following locations:

- Gainesville, FL (June 24, 2017)
- San Angelo, TX (July 31, 2017)
- Morgan, MN (August 3, 2017)
- Modesto, CA (August 5, 2017)
- Decatur, IL (August 30, 2017)
- Cobleskill, NY (October 9, 2017)

The Committee heard over seventeen hours of testimony and had over 1,100 producers and interested parties in attendance.

In the 114th Congress, the Committee also held hearings in anticipation of the reauthorization of the 2014 Farm Bill.

On February 25, 2015, the Full Committee on Agriculture held a hearing entitled, "Past, Present, and Future of SNAP" where the following witnesses testified on matters included in H.R. 2:

- Mr. Douglas J. Besharov, Norman & Florence Brody Professor, School of Public Policy, University of Maryland, College Park, MD
- Mr. Robert Greenstein, Founder and President, Center on Budget and Policy Priorities, Washington, D.C.

The purpose of the hearing was to launch the top-to-bottom review of the Supplemental Nutrition Assistance Program (SNAP) by examining the past, present, and future of the program. This hearing begins the full-scale review of the SNAP program, so that as the Committee approaches reauthorization, the review will help prepare the Committee to make meaningful improvements to the program. This hearing provided Members of the Committee a brief history of the program, the current state of the program, and a potential vision for the future.

On February 26, 2015, the Subcommittee on Nutrition held a hearing entitled, "Past, Present, and Future of SNAP: SNAP Recipient Characteristics and Dynamics" where the following witnesses testified on matters included in H.R. 2:

- Ms. Karen Cunyngnam, Senior Researcher, Mathematica Policy Research, Washington, D.C.
- Dr. Gregory B. Mills, Senior Fellow, Urban Institute, Washington, D.C.
- Mr. Stephen J. Tordella, President, Decision Demographics, Washington, D.C.
- Dr. James P. Ziliak, Founding Director, Center for Poverty Research, University of Kentucky, Lexington, KY

The purpose of this hearing was to better understand the SNAP population through published research on the characteristics and dynamics of participants in the Supplemental Nutrition Assistance Program (SNAP). The hearing gave Members an opportunity to gain a better understanding of the SNAP population and various subpopulations. Members discussed with the witnesses various aspects of SNAP enrollment and re-certification, studies on duration of participation in the program, and circumstances in which a household would cycle on and off the program, known as "churn."

On March 26, 2015, the Subcommittee on General Farm Commodities and Risk Management, held a hearing entitled "Implementing the Agricultural Act of 2014: Commodity Policy and Crop

Insurance” where the following witnesses testified on matters included in H.R. 2:

- Mr. Brandon Willis, Administrator, Risk Management Agency, United States Department of Agriculture, Washington, D.C.
- Mr. Val Dolcini, J.D., Administrator, Farm Service Agency, United States Department of Agriculture, Washington, D.C.

The purpose of this hearing was to examine implementation of Titles I and XI of the Agricultural Act of 2014, which was signed into law February 7, 2014. With implementation nearing completion, much of Act has been implemented satisfactorily by USDA’s Farm Service Agency (FSA) and Risk Management Agency (RMA). However, a small number of technical items have the potential to produce many unintended consequences if they are not implemented as Congress intended. Subcommittee Members heard implementation updates from the two witnesses—the RMA Administrator and the FSA Administrator. Subcommittee Members inquired about different outstanding implementation issues, including assignment of yields on generic base acres; use of cover crops on generic base acres; administrative FSA counties; and others.

On April 15, 2015, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: The World of Nutrition and the Role of the Charitable Sector” where the following witnesses testified on matters included in H.R. 2:

- Ms. Kate Maehr, Executive Director and CEO, Greater Chicago Food Depository, Chicago, IL
- Ms. Keleigh Green-Patton, Chicago’s Community Kitchens, Chicago, IL
- Mr. Dustin Kunz, Research Manager, Salesforce Administrator and Developer, Texas Hunger Initiative, Waco, TX
- Ms. Lynda Taylor Ender, AGE Director, The Senior Source, Dallas, TX
- Mr. Jonathan Webb, Director of Foundations and Community Engagement, Feed the Children, Edmond, OK

This hearing is a continuation of the full-scale review, of the SNAP program the Agriculture Committee is conducting entitled, *The Past, Present, and Future of SNAP*. This hearing provided Members of the Committee a big picture view of the world of nutrition to understand that the government is not alone in providing nutrition assistance. Many charitable organizations and non-governmental entities play a critical role in helping families overcome poverty. Our witnesses from the charitable sector discussed the collaboration that must exist between the private-sector and the government to best fight hunger and poverty.

On April 29, 2015, the Subcommittee on Conservation and Forestry held a hearing entitled, “To Review the National Forest System and Active Forest Management” where the following witnesses testified on matters included in H.R. 2:

- Mr. Thomas L. Tidwell, Chief, U.S. Forest Service, USDA, Washington, D.C.
- Ms. Susan Swanson, Executive Director, Allegany Hardwood Utilization Group, Inc., Kane, PA
- Ms. Rebecca A. Humphries, Chief Conservation Officer, National Wild Turkey Federation, Edgefield, SC

- Ms. Laura Falk McCarthy, Director of Conservation Programs, The Nature Conservancy, Santa Fe, NM

The purpose of this hearing was to review the management of the National Forest System and conduct oversight over implementation of the forestry provisions in the Agricultural Act of 2014. Members heard testimony from U.S. Forest Service Chief Tom Tidwell, as well as stakeholders representing forestry, sportsmen, and conservation industries. Several topics were discussed during questioning, including wildfire prevention and suppression funding; timelines for implementing the final farm bill provisions; the Endangered Species Act recent listings and the impacts on forests; challenges for the U.S. Forest Service; and others.

On May 20, 2015, the Subcommittee on Nutrition held a hearing entitled, “Past, Present, and Future of SNAP: The World of Nutrition, Government Duplication and Unmet Needs” where the following witnesses testified on matters included in H.R. 2:

- Ms. Kay E. Brown, Director, Education, Workforce, and Income Security, U.S. Government Accountability Office, Washington, D.C.
- Dr. Angela K. Rachidi, Research Fellow in Poverty Studies, American Enterprise Institute, Washington, D.C.
- Mr. Joseph Nader, Executive Chef, Levy Restaurants and Detroit Lions; and volunteer chef for Share Our Strength’s Cooking Matters, Detroit, MI
- Sherrie Tussler, Executive Director, Hunger Task Force, Milwaukee, WI

This hearing provided Members of the Committee a big picture view of the world of government nutrition. It is important for Members to understand that SNAP, while it is the largest, is not the only government program providing nutrition assistance and fighting poverty. There are at least 17 other federally funded nutrition programs helping families overcome poverty, which together account for more than \$100 billion every year in domestic food assistance. Members heard from witnesses suggestions on how to improve coordination among various agencies and programs to reduce duplication and better target unmet needs.

On June 10, 2015, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: The Means to Climbing the Economic Ladder” where the following witnesses testified on matters included in H.R. 2:

- Mr. Patrick J. Raglow, Executive Director, Catholic Charities of the Archdiocese of Oklahoma City, Oklahoma City, OK
- Mr. Leon A. Samauels, Jr., Executive Director, STRIVE DC, Inc., Washington, D.C.
- Dr. Elisabeth D. Babcock, MCRP, President and CEO, Crittenton Women’s Union, Boston, MA
- Mr. Grant E. Collins II, Senior Vice President, Workforce Development and Executive Director, Fedcap Rehabilitation Services, Inc., New York, NY

This hearing continued upon the Committee’s review of the *Past, Present and Future of SNAP*. The focus of this hearing was for Members to better understand the ways individuals move out of poverty and into employment and higher earning jobs. For most individuals, getting an entry-level job is easier than maintaining that job, or improving toward higher paying jobs that can actually sup-

port their families. We heard from witnesses who work directly with low-income or unemployed clients about the innovative methods they utilize for helping their clients move out of poverty and up the economic ladder. One witness described his organization's three week attitudinal job prep class for clients with limited work experience. Another witness described conducting comprehensive assessments of clients with medical or mental health barriers to determine what capabilities they do have so they could be matched with appropriate work. The panel was consistent that these shorter-term efforts must be accompanied by long-term case management in order for individuals to achieve overall success.

On June 11, 2015, the Subcommittee on Conservation and Forestry held a hearing entitled, "Implementing the Agricultural Act of 2014: Conservation Programs" where the following witnesses testified on matters included in H.R. 2:

- Mr. Jason Weller, Chief, Natural Resources Conservation Service, U.S. Department of Agriculture, Washington, D.C.
- Mr. Val Dolcini, J.D., Administrator, Farm Service Agency, U.S. Department of Agriculture, Washington, D.C.
- Mr. Brent Van Dyke, 1st Vice President, National Association of Conservation Districts, Hobbs, NM
- Mr. William "Buddy" H. Allen, rice producer; Member, USA Rice Federation Conservation Committee, Tunica, MS
- The Honorable Karen L. Martynick, Executive Director, Lancaster Farmland Trust, Strasburg, PA
- Mr. James E. Inglis, Government Affairs Representative, Pheasants Forever, Inc. and Quail Forever, Upper Sandusky, OH

The purpose of this hearing was to review the implementation of the conservation programs in the Agricultural Act of 2014. Members heard testimony from Natural Resources Conservation Service Chief Jason Weller and Farm Service Agency Administrator Val Dolcini. The second panel comprised stakeholders representing conservation districts, commodity organizations, farmland trusts, and sportsmen groups. Members were especially concerned with the implementation of the linkage of conservation to crop insurance premium subsidies, and the requirement of an AD-1026 form to be filed by June 1, 2015. Other topics of discussion were implementation of new Conservation Reserve Program (CRP) provisions and the new Regional Conservation Partnership Program (RCPP).

On June 25, 2015, the Subcommittee on Biotechnology, Horticulture, and Research held a hearing entitled, "Review of USDA Marketing Programs" where the following witnesses testified on matters included in H.R. 2:

- Dr. Craig Morris, Deputy Administrator, Livestock Poultry and Seed Program, Agricultural Marketing Service, USDA, Washington, D.C.

The purpose of this subcommittee hearing was to review the programs of AMS to gain insight into how a national standard for genetic engineering marketing claims might work. The Quality Assessment Division's (QAD) Audit Services Branch (ASB) within the Agricultural Marketing Service, Livestock, Poultry, and Seed Program, provides a family of user-fee-funded, audit based third-party verification programs and services to the agricultural industry under its Quality Systems Verification Programs (QSVP). The

QSVP are designed to provide suppliers the opportunity to assure customers of their ability to provide consistent quality products or services. Under a QSVP, a supplier's documented quality management system is verified through independent third-party audits conducted by qualified QAD staff. During an audit, a client's documented quality management system is verified to assure customer requirements and marketing points are being adhered to. In order to ensure consistent auditing practices and promote international recognition of audit results, ASB auditors utilize the International Organization for Standardization (ISO) 19011:2011 guidelines for quality management systems auditing. Within the umbrella of QSVP, there are three primary audit programs: Process Verified Program, Quality System Assessment Program, and the Accreditation Program.

On June 25, 2015, the Subcommittee on Nutrition held a joint hearing with the Subcommittee on Human Resources, of the Committee on Ways and Means, entitled, "Past, Present, and Future of SNAP: How Our Welfare System Can Discourage Work" where the following witnesses testified on matters included in H.R. 2:

- Dr. Casey Mulligan, Professor, Department of Economics, University of Chicago, Chicago, IL
- Ms. Chanel McCorkle, Baltimore MD, accompanied by Marsha Netus, Director of Operations, America Works, Baltimore, MD
- Mr. Erik Randolph, Senior Fellow, Illinois Policy Institute, Chicago, IL
- Ms. Olivia Golden, Executive Director, Center for Law and Social Policy (CLASP), Washington, D.C.
- Dr. Eugene Steuerle, Senior Fellow, Urban Institute, Washington, D.C.

This hearing is a continuation of the full-scale review, of the SNAP program the Agriculture Committee is conducting known as the *Past, Present, and Future of SNAP*. As we have heard through our review, sometimes higher earnings do not necessarily translate to higher total income. Low-income families often receive many types of welfare and tax benefits, such as assistance with food, housing, and day care costs; help with medical costs; or tax refunds to supplement earnings from work. While the goal of these programs is often to support and encourage employment, benefit "phase-out rules"—especially when combined across multiple programs—mean that they may do just the opposite. This hearing provided information on how these program interactions discourage work and possible solutions to address the problem to ensure that work always pays.

On July 15, 2015, the Subcommittee on Nutrition held a hearing entitled, "Past, Present, and Future of SNAP: Developing and Using Evidence-Based Solutions" where the following witnesses testified on matters included in H.R. 2:

- The Honorable Jon Baron, Vice President for Evidence-Based Policy, Laura & John Arnold Foundation, Washington, D.C.
- Mr. James D. Weill, J.D., President, Food Research and Action Center, Washington, D.C.
- Dr. James X. Sullivan, Rev. Thomas J. McDonagh, C.S.C., Associate Professor of Economics, University of Notre Dame,

and Director, Wilson Sheehan Lab for Economic Opportunities, South Bend, IN

- Mr. Jeremy K. Everett, Director, Texas Hunger Initiative, Waco, TX

This hearing is a continuation of the full-scale review, of the SNAP program the Agriculture Committee is conducting known as the *Past, Present, and Future of SNAP*. Evidence-based solutions are determined through program evaluation. It is a robust approach to collecting, analyzing, interpreting, and communicating information about the effectiveness of social programs or intervention, which are the variations or additional services within the program, for the purpose of improving social conditions. Social science research methods have greatly improved program metrics: reducing the cost, and increasing the timeliness and usability of more sophisticated results that can specifically isolate the positive and negative impacts of interventions. Yet, these advancements have yet to catch on in SNAP. By knowing what works and what doesn't, limited program resources can be better targeted to those interventions that have the greatest impact to ultimately improve the program.

On July 9, 2015, the Subcommittee on Livestock and Foreign Agriculture held a hearing entitled, "U.S. International Food Aid Programs: Oversight and Accountability" where the following witnesses testified on matters included in H.R. 2:

- Mr. Thomas Melito, Director, International Affairs and Trade, U.S. Government Accountability Office, Washington, D.C.
- Ms. Catherine M. Trujillo, Acting Deputy Inspector General, U.S. Agency for International Development, Washington, D.C.
- Mr. Rodney G. DeSmet, Deputy Assistant Inspector General for Audit, USDA Office of the Inspector General, Washington, D.C.

This hearing was the second in a series to review current international food aid programs implemented by USAID and USDA. Witnesses from the Government Accountability Office (GAO) and the USDA and USAID Offices of the Inspector General testified about their work to monitor the implementation of various food aid projects. The Members and witnesses made clear that efforts have only just begun to evaluate the issues that come with shifting to cash-based assistance, and much more attention to the matter is needed in order to strike the proper balance of in-kind and cash-based assistance made available through the next farm bill.

On September 30, 2015, the Full Committee held a hearing entitled, "U.S. International Food Aid Programs: Stakeholder Perspectives" where the following witnesses testified on matters included in H.R. 2:

- Ms. Laura Dills, Deputy Regional Director of Program Quality, East Africa Regional Office, Catholic Relief Services, Baltimore, MD
- Mr. Lucas Koach, Director of Public Policy and Advocacy, Food for the Hungry, Washington, D.C.
- Mr. John Didion, CEO, Didion Milling, Johnson Creek, WI
- Mr. Jeffrey L. Peanick, CEO, Breedlove Foods, Inc., Lubbock, TX

- Mr. Wade Cowan, President, American Soybean Association, Brownfield, TX
- Mr. James William Warshaw, Chairman, Food Aid Subcommittee USA Rice, Lake Charles, LA

The purpose of this hearing was to continue the Committee's review of U.S. international food aid programs by giving private voluntary organizations, commodity groups, and agricultural suppliers an opportunity to share their experiences regarding the strengths and potential weaknesses of the current slate of programs administered by the U.S. Department of Agriculture (USDA) and the U.S. Agency for International Development (USAID). The hearing helped Members develop a better understanding of the implementing partners' respective roles in the overall scheme of international food aid, and the witnesses' input will serve as a valuable guide for future farm bill negotiations through which the Committee will strive to strike the appropriate balance between in-kind and cash-based assistance.

On October 27, 2015, the Subcommittee on Nutrition held a hearing entitled, "Past, Present, and Future of SNAP: Breaking the Cycle" where the following witnesses testified on matters included in H.R. 2:

- Dr. Caroline Ratcliffe, Senior Fellow and Economist, Urban Institute Center on Labor, Human Services, and Population, Washington, D.C.
- Ms. Ruth Riley, former WNBA Athlete and Olympic Gold Medalist, Granger, IN; on behalf of NBA Cares
- Dr. Eduardo Ochoa, Jr., Little Rock, AR; on behalf of Children's HealthWatch
- Dr. Ron Haskins, Senior Fellow, Economic Studies and Co-Director, Brookings Institution Center on Children and Families, Washington, D.C.

This hearing explored the impact that poverty has on children and what factors can help to improve the likelihood of success as an adult. Parents want their children to have a better chance at succeeding than they did—it's the definition of economic mobility and the American Dream. This can be a tough goal to attain if the child grows up in a stressful and unstable environment. Like prior hearings, the importance of a holistic approach to addressing poverty is required in order to help children to break the cycle. Testimony was presented by policy experts and an individual who has first-hand experience breaking the cycle of poverty.

On November 18, 2015, the Full Committee on Agriculture held a hearing entitled, "Past, Present, and Future of SNAP: The National Commission on Hunger" where the following witnesses testified on matters included in H.R. 2:

- Dr. Mariana Chilton, Co-Chair of the National Commission on Hunger, Director of the Center for Hunger-Free Communities, Drexel University, Philadelphia, PA
- Mr. Robert Doar, Co-Chair of the National Commission on Hunger, Morgridge Fellow in Poverty Studies, American Enterprise Institute, Washington, D.C.

This hearing featured the Co-Chairs of the National Commission on Hunger who shared their efforts over the last year traveling the country to see and listen to those closest to the issue to better understand the challenges, as well as learn about the successes. The

Commission's final report had been expected prior to the hearing, but instead was released at the beginning of 2016. The hearing and testimony focused on their year-long process, general themes, and a limited number of recommendations, including addressing the veteran population, utilizing evidence-based strategies, and collaboration across the public- and private-sector.

On January 12, 2016, the Subcommittee on Nutrition held a hearing entitled, "Past, Present, and Future of SNAP: Addressing Special Populations" where the following witnesses testified on matters included in H.R. 2:

- Ms. Abby Leibman, J.D., President and CEO, MAZON—A Jewish Response to Hunger, Los Angeles, CA
- Ms. Erika Tebeens, Ballston Spa, NY
- Mr. Vinsen Faris, Executive Director, Meals-on-Wheels of Johnson and Ellis Counties in North Central Texas, Cleburne, TX
- Mr. Eric Schneidewind, J.D., President-elect, AARP, Washington, D.C.

This hearing explored the challenges and barriers faced by low-income seniors, veterans, and active-duty military. These demographics are more vulnerable to disabilities, metabolic illnesses, and mental impairments that impede their ability to be fully independent. As said in prior hearings, the importance of a holistic approach to addressing poverty is required in order to best serve the needs of these special populations. Testimony was presented by advocacy organizations, policy experts, and an individual who has first-hand experience dealing with hunger in a low-income military family.

On February 3, 2016, the Subcommittee on Nutrition held a hearing entitled, "Hearing To Review Incentive Programs Aimed At Increasing Low-Income Families' Purchasing Power for Fruits and Vegetables" where the following witnesses testified on matters included in H.R. 2:

- Dr. Oran B. Hesterman, CEO, Fair Food Network, Ann Arbor, MI
- Dr. Ashton Potter Wright, Local Food Coordinator, Bluegrass Farm to Table, Office of the Mayor, Lexington, KY
- Ms. Kathleen L. Kiley, Crossroads Farmers' Market shopper and current SNAP recipient, Washington, D.C.
- Mr. Eric S. Cooper, President and CEO, San Antonio Food Bank, San Antonio, TX
- Ms. Barbara J. Petee, Executive Director, The Root Cause Coalition, Washington, D.C.

This hearing provided Members of the Committee a greater understanding of healthy food incentive programs. The 2014 Farm Bill authorized \$100 million for the Food Insecurity Nutrition Incentive (FINI) Grant Program, which supports projects to increase the purchase of fruits and vegetables among low-income consumers participating in SNAP by providing incentives at the point of purchase. Members learned how incentives are increasing the consumption of healthier foods; explored the challenges and opportunities in incentives moving forward; and learned about opportunities for the local agriculture economies. Testimony was presented by recipient organizations of the FINI grant, a healthcare professional, and a SNAP recipient.

On March 2, 2016, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: Examining State Options” where the following witnesses testified on matters included in H.R. 2:

- Ms. Stephanie Muth, Deputy Executive Commissioner for the Office of Social Services, Texas Health and Human Services Commission, Austin, TX
- Ms. Stacy Dean, Vice President for Food Assistance Policy, Center on Budget and Policy Priorities, Washington, D.C.
- Ms. Karen Cunyngnam, Senior Researcher, Mathematica Policy Research, Washington, D.C.

This hearing specifically looked into the various flexibilities states have when implementing SNAP. Understanding what options states have within this program allow for a more holistic understanding of the program and how to best leverage the relationship between states and local communities to better serve recipients and utilize taxpayer dollars. The hearing and testimony highlighted how states are using Federal funds to implement SNAP including Broad Based Categorical Eligibility, work requirements, and program integrity measures. Testimony was presented by a state representative and researchers focusing on state implementation.

On May 12, 2016, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: The Retailer Perspective” where the following witnesses testified on matters included in H.R. 2:

- Ms. Kathy Hanna, Senior Director Enterprise Payments & Store Support, The Kroger Co., Cincinnati, OH
- Mr. Jimmy Wright, Owner, Wright’s Market, Opelika, AL
- Mr. Douglas M. Beech, J.D., Legal Counsel and Director of Government Relations, Casey’s General Stores, Inc., Ankeny, IA
- Mr. Carl Martincich, Vice President of Human Resources and Government Affairs, Loves’ Travel Stops and Country Stores, Oklahoma City, OK

In this hearing Members heard from retailers about the various opportunities and challenges they experience as they execute SNAP. Some of the topics included: how retailers become authorized to accept SNAP benefits, initiatives taking place within stores to promote healthy eating, food deserts, the various challenges facing rural communities, and the opportunities with technology to improve program integrity. Testimony was presented by representatives of various types of store formats including convenience stores, truck stops, a single store operator, and a large grocery store chain.

On June 22, 2016, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: Evaluating Effectiveness and Outcomes in Nutrition Education” where the following witnesses testified on matters included in H.R. 2:

- Dr. Kimberlydawn Wisdom, Senior Vice President, Community Health & Equity and Chief Wellness and Diversity Officer, Henry Ford Health System, Detroit, MI
- Ms. Susan Foerster, M.P.H., Emeritus and Founding Member, Association of SNAP Nutrition Education Administrators, Carmichael, CA

- Dr. Shreela V. Sharma, Associate Professor of Epidemiology at the University of Texas, Co-Founder of Brighter Bites, Houston, TX
- Dr. Jo Britt-Rankin, Associate Dean/Program Director, University of Missouri Human Environmental Sciences Extension, Columbia, MO; on behalf of Extension Committee on Organization and Policy

In this hearing Members heard from representatives of organizations receiving SNAP-Ed funding about the various ways SNAP-Ed funding is used to educate SNAP recipients on how to prepare nutritious meals at home. The goal of SNAP-Ed is to improve the likelihood that persons eligible for SNAP will make healthy choices within a limited budget and choose active lifestyles consistent with the current *Dietary Guidelines for Americans*. Testimony was presented by grantees and administrators of SNAP-Ed funding from across the country who spoke specifically on what programs they have seen run successfully, and the evaluation metrics utilized to measure success in individual programs.

On July 6, 2016, the Full Committee on Agriculture held a hearing entitled, “Past, Present, and Future of SNAP: Evaluating Error Rates and Anti-Fraud Measures to Enhance Program Integrity” where the following witnesses testified on matters included in H.R. 2:

- Ms. Jessica Shahin, SNAP Associate Administrator, Food & Nutrition Service, USDA, Washington, D.C.
- Ms. Kay E. Brown, Director, Education, Workforce, & Income Security, U.S. Government Accountability Office, Washington, D.C.
- The Honorable Dave Yost, Auditor of State, Ohio Department of Job and Family Services, Columbus, OH

In this hearing Members learned what distinguishes an error rate from a fraud rate, what factors determine the reported rate, and how these measures impact program integrity. Error rates are mainly calculated as under- or over-payments to a recipient and are unintentional administrative errors. Fraud can happen at the retailer or individual level, and it is an intentional misuse of Federal SNAP dollars. Witnesses discussed what the Federal and state governments, respectively, are in charge of, what program integrity measures are currently in place to prevent fraud, and what is being done at the Federal level to track and calculate state error reports.

On September 13, 2016, the Subcommittee on Nutrition held a hearing entitled, “Past, Present, and Future of SNAP: Improving Innovation and Success in Employment and Training Programs” where the following witnesses testified on matters included in H.R. 2:

- Mr. David Stillman, J.D., Assistant Secretary for the Economic Services Administration, Washington Department of Social and Health Services, Olympia, WA
- Mr. Jon Anderson, Deputy Director, Georgia Division of Family and Children Services, Office of Family Independence, Atlanta, GA
- Mr. Peter Weber, Founder, Fresno Bridge Academy, Fresno, CA

In this hearing Members heard from organization representatives to discuss the initiatives by states to further improve their

SNAP Employment and Training (SNAP E&T) programs to better assist recipients' movement into the workforce, or in attaining additional skills to increase earnings. The purpose of the program is to help recipients meet work requirements, and to gain the skills, training, or experience to increase their ability to obtain regular employment. Testimony was presented by state agencies on their efforts to improve the Employment and Training programs in their communities.

On November 16, 2016, the Full Committee on Agriculture held a hearing entitled, "Past, Present, and Future of SNAP: Opportunities for Improving Access to Food" where the following witnesses testified on matters included in H.R. 2:

- Mr. Eric French, Director of Grocery, Amazon, Seattle, WA
- Mr. Gunnar Lovelace, Founder/Co-CEO, Thrive Market, Marina del Ray, CA
- Mr. Mike J. Beal, J.D., Vice President, Secretary, and Chief Operating Officer, Balls Food Stores, Kansas City, KS; on behalf of National Grocers Association
- Ms. Pamela Hess, Executive Director, Arcadia Center for Sustainable Food and Agriculture, Alexandria, VA
- Ms. Melinda R. Newport, M.S., R.D./L.D., Director, WIC/Child Nutrition Programs, Chickasaw Nation Department of Health, Ada, OK

In this hearing Members heard from representatives to discuss how innovative strategies are being used to improve access to food and to incentivize healthy food purchases. The discussion focused on the potential of online retailing, explored the challenges and opportunities in these strategies to increase access, and examined how technology plays a role in incentivizing healthier purchases. Testimony was presented by organizations that are working creatively to increase the capacity of their organizations to provide nutritious food to low-income individuals in low access areas.

II. FULL COMMITTEE

On April 18, 2018, the Committee on Agriculture met pursuant to notice, with a quorum present to consider H.R. 2. Chairman Conaway made an opening statement as did Ranking Member Peterson.

Chairman Conaway placed H.R. 2 before the Committee and, without objection a first reading of the bill was waived and it was open to amendment at any point.

Chairman Conaway stated that although the bill was open to amendment at any point, he encouraged that amendments be offered on a Title by Title basis.

Chairman Conaway offered an En Bloc Amendment. Discussion occurred and by a voice vote, the amendment passed.

Chairman Conaway recognized Mr. Yoho to offer an amendment to Title IX to provide Congress with a report on potential authorities within USDA for regulation of gene-edited animals. Mr. Yoho withdrew his amendment.

Mr. King offered an amendment to Title XI to stop states from regulating the production and manufacturing of agricultural products across state lines. Mr. Denham offered a second degree amendment striking the underlying amendment and replacing it with language requiring USDA to report on existing State laws re-

lated to the production of agricultural products, the sale and labeling of agricultural products, and the detection and prevention of invasive pests and diseases. Mr. Denham called for a recorded vote on his second degree amendment, and it failed by a vote of 12 yeas to 33 nays. A vote was then taken on the King amendment. Mr. King's amendment passed by a voice vote.

Mr. Denham offered an amendment to Title XI that would amend the Animal Welfare Act to prohibit people from knowingly slaughtering a dog or cat for human consumption. The amendment passed by a voice vote.

There being no further amendments, Mr. Thompson moved that H.R. 2, as amended, be reported favorably to the House with an amendment in the nature of a substitute consisting of the amendments agreed to in the markup and with the recommendation that the amendment be agreed to and the bill pass. The bill passed by a vote of 26 yeas to 20 nays.

At the conclusion of the meeting, Chairman Conaway advised Members that pursuant to the rules of the House of Representatives Members had until April 23, 2018, to file any supplemental, minority, additional, or dissenting views with the Committee.

Without objection, staff was given permission to make any necessary clerical, technical or conforming changes to reflect the intent of the Committee. Chairman Conaway thanked all of the Members and adjourned the meeting.

COMMITTEE VOTES

In compliance with clause 3(b) of Rule XIII of the House of Representatives, the Committee sets forth the record of the following roll call votes taken with respect to H.R. 2.

Rollcall No. 1

Summary: Second Degree Amendment to King Amendment #23 to strike the underlying amendment and replace it with language requiring USDA to report on existing State laws related to the production of agricultural products, the sale and labeling of agriculture products, and the detection and prevention of invasive pests and diseases.

Offered By: Mr. Denham.

Results: Failed.

12 yeas, 33 nays, 1 not voting

YEAS

- | | |
|-----------------|--------------------|
| 1. Mr. Denham | 7. Mr. Maloney |
| 2. Mr. Faso | 8. Ms. Plaskett |
| 3. Mr. Costa | 9. Ms. Adams |
| 4. Mr. McGovern | 10. Mr. O'Halleran |
| 5. Ms. Kuster | 11. Mr. Panetta |
| 6. Mr. Nolan | 12. Mr. Soto |

NAYS

- | | |
|------------------|------------------|
| 1. Mr. Conaway | 18. Mr. Abraham |
| 2. Mr. Thompson | 19. Mr. Kelly |
| 3. Mr. Goodlatte | 20. Mr. Comer |
| 4. Mr. Lucas | 21. Mr. Marshall |

- | | |
|---------------------|-------------------------|
| 5. Mr. King | 22. Mr. Bacon |
| 6. Mr. Rogers | 23. Mr. Dunn |
| 7. Mr. Gibbs | 24. Mr. Arrington |
| 8. Mr. Austin Scott | 25. Mr. Peterson |
| 9. Mr. Crawford | 26. Mr. David Scott |
| 10. Mr. DesJarlais | 27. Mr. Walz |
| 11. Mrs. Hartzler | 28. Ms. Fudge |
| 12. Mr. LaMalfa | 29. Mr. Vela |
| 13. Mr. Davis | 30. Mrs. Bustos |
| 14. Mr. Yoho | 31. Mr. Evans |
| 15. Mr. Allen | 32. Mr. Lawson |
| 16. Mr. Bost | 33. Ms. Blunt Rochester |
| 17. Mr. Rouzer | |

NOT VOTING

1. Ms. Lujan Grisham

Rollcall No. 2

Summary: Motion to report the bill, H.R. 2, as amended, be reported favorably to the House with an amendment in the nature of a substitute consisting of the amendments agreed to in the markup and with the recommendation that the amendment be agreed to and the bill do pass.

Offered By: Mr. Thompson.

Results: Passed.

26 yeas, 20 nays, 0 not voting

YEAS

- | | |
|---------------------|-------------------|
| 1. Mr. Conaway | 14. Mr. Davis |
| 2. Mr. Thompson | 15. Mr. LaMalfa |
| 3. Mr. Goodlatte | 16. Mr. Allen |
| 4. Mr. Lucas | 17. Mr. Rouzer |
| 5. Mr. King | 18. Mr. Abraham |
| 6. Mr. Rogers | 19. Mr. Bost |
| 7. Mr. Gibbs | 20. Mr. Kelly |
| 8. Mr. Austin Scott | 21. Mr. Comer |
| 9. Mr. Crawford | 22. Mr. Marshall |
| 10. Mr. DesJarlais | 23. Mr. Bacon |
| 11. Mrs. Hartzler | 24. Mr. Faso |
| 12. Mr. Denham | 25. Mr. Dunn |
| 13. Mr. Yoho | 26. Mr. Arrington |

NAYS

- | | |
|----------------------|-------------------------|
| 1. Mr. Peterson | 11. Mrs. Bustos |
| 2. Mr. David Scott | 12. Mr. Maloney |
| 3. Mr. Costa | 13. Ms. Plaskett |
| 4. Mr. Walz | 14. Ms. Adams |
| 5. Ms. Fudge | 15. Mr. Evans |
| 6. Mr. McGovern | 16. Mr. Lawson |
| 7. Mr. Vela | 17. Mr. O'Halleran |
| 8. Ms. Lujan Grisham | 18. Mr. Panetta |
| 9. Ms. Kuster | 19. Mr. Soto |
| 10. Mr. Nolan | 20. Ms. Blunt Rochester |

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of Rule XIII of the Rules of the House of Representatives, the Committee on Agriculture's oversight findings and recommendations are reflected in the body of this report.

BUDGET ACT COMPLIANCE (SECTIONS 308, 402, AND 423)

The provisions of clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the Director of the Congressional Budget Office under clause 3(c)(3) of Rule XIII of the Rules of the House of Representatives and sections 402 and 423 of the Congressional Budget Act of 1974 submitted to the Committee prior to the filing of this report are as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 2, 2018.

Hon. K. MICHAEL CONAWAY,
Chairman, Committee on Agriculture, House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2, the Agriculture and Nutrition Act of 2018.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Kathleen FitzGerald (nutrition provisions) and Jim Langley (other provisions).

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 2—Agriculture and Nutrition Act of 2018

Summary: The Agriculture and Nutrition Act of 2018 would amend and extend some of the nation's major programs for income support, food and nutrition, land conservation, trade promotion, rural development, research, forestry, horticulture, and other miscellaneous programs administered by the Department of Agriculture (USDA) for five years through 2023.

CBO estimates that enacting H.R. 2 would increase net direct spending by \$3.2 billion over the 2019–2023 period and by \$0.5 billion over the 2019–2028 period, relative to CBO's baseline projections. As specified in law, those baseline projections incorporate the assumption that many expiring programs continue to operate after their authorizations expire in the same manner as they did before such expiration. The cost of extending those authorizations through 2023 would total \$387 billion, but because they are already included in the baseline, those costs are not attributable to this bill. CBO also estimates that enacting the bill would increase revenues by \$0.5 billion over the 2019–2028 period.

In addition, H.R. 2 would authorize the appropriation of specific amounts, mostly for a wide variety of existing and new USDA pro-

grams. Assuming appropriation of the specified amounts, CBO estimates that implementing those provisions would cost \$24.3 billion over the 2019–2023 period.

Because enacting H.R. 2 would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO estimates that enacting H.R. 2 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

H.R. 2 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). In the aggregate, CBO estimates, the costs of mandates on public entities would exceed the annual threshold established in UMRA for

intergovernmental mandates (\$80 million in 2018, adjusted annually for inflation) in at least four of the first five years that the mandates were in effect. The costs of mandates on private entities would be below the annual threshold established in UMRA for private-sector mandates (\$160 million in 2018, adjusted annually for inflation).

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2 is shown in Table 1. The costs of this legislation fall within budget functions 270 (energy), 300 (natural resources and environment), 350 (agriculture), 450 (community and regional development), and 600 (income security).

Table 1. Summary of the Budgetary Effects on Direct Spending and Revenues of H.R. 2, the Agriculture and Nutrition Act of 2018, as Ordered Reported by the House Committee on Agriculture on April 18, 2018

	By fiscal year, in millions of dollars—												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019– 2023	2019– 2028
INCREASES OR DECREASES (–) IN DIRECT SPENDING													
Estimated Budget Authority	0	1,796	1,233	1,684	1,232	757	–54	–202	–615	–745	–828	6,701	4,258
Estimated Outlays	0	719	630	1,020	582	244	–240	–302	–640	–748	–807	3,195	458
INCREASES IN REVENUES													
Estimated Revenues ..	0	0	0	0	55	60	60	65	70	75	80	115	465
NET INCREASE OR DECREASE (–) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES													
Effect on the Deficit	0	719	630	1,020	527	184	–300	–367	–710	–823	–887	3,080	–7
INCREASES IN SPENDING SUBJECT TO APPROPRIATION ^a													
Authorization Level	0	6,176	6,166	6,168	6,170	6,107	650	25	25	25	25	30,787	31,537
Estimated Outlays	0	2,378	4,479	5,433	5,900	6,084	3,952	1,973	803	306	97	24,273	31,403

Components may not sum to totals because of rounding.

^a The estimate includes only amounts specifically authorized to be appropriated. CBO has not completed an estimate of the discretionary costs of implementing provisions that do not authorize the appropriation of specific amounts.

Basis of estimate: For this estimate, CBO assumes that H.R. 2 will be enacted near the end of fiscal year 2018. The bill would provide direct spending authority for most of the USDA programs authorized, amended, or created by the legislation through the 2019–2023 period. Following the baseline projection rules in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, CBO estimated the 10-year cost of the bill by assuming that most of those programs would continue to operate indefinitely beyond that five-year authorization period. Combined with the estimated spending under the April 2018 baseline projections for those programs, CBO estimates that enacting the bill would bring total spending for those USDA programs to \$430 billion over the 2019–2023 period and \$868 billion over the 2019–2028 period.

Direct spending and revenues

Relative to spending projected in the baseline, CBO estimates that enacting H.R. 2 would increase direct spending by \$3.2 billion over the 2019–2023 period. Following the rules specified in the Deficit Control Act, CBO assumes that the changes made to those programs would continue after 2023, the final year of authorization under the bill. On that basis, CBO estimates that direct spending would decrease by \$2.7 billion over the 2024–2028 period, for a net increase in direct spending of \$0.5 billion over the 2019–2028 period. CBO also estimates that enacting the bill would increase revenues by \$0.5 billion over the 2019–2028 period.

Detailed estimates of changes in direct spending and revenues for the various titles appear in Table 2. Further details of those estimates by major section of each title appear in Table 3.

Title I, Commodities. Title I would reauthorize and amend the farm commodity support programs administered by USDA through 2023. CBO estimates that enacting title I would increase direct spending by \$0.2 billion over the 2019–2028 period. (The current-law authorization of most programs will expire on September 30, 2018, although some payments will be made after that date.) The two major components of that estimate are described below.

H.R. 2 would reauthorize the two main commodity programs—Price Loss Coverage (PLC) and Agriculture Revenue Coverage (ARC)—through 2023. Under PLC, producers receive payments when the annual average market price falls below the reference price set in law. Under ARC, producers receive payments when a county’s average revenue for a crop (the product of price and production) falls below the county’s historical average revenue. Producers may receive payments from only one of those programs for the five-year period, and because of recent market prices and yields and program changes in the bill, CBO expects most producers to choose PLC.

TABLE 2. ESTIMATED CHANGES IN DIRECT SPENDING AND REVENUES UNDER H.R. 2

By fiscal year, in millions of dollars—

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2019– 2023	2019– 2028
INCREASES OR DECREASES (–) IN DIRECT SPENDING													
Title I, Commodities:													
Estimated Budget Authority	0	36	16	154	3	1	17	109	–92	–35	57	211	267
Estimated Outlays	0	–18	4	152	10	2	15	107	–93	–38	53	149	193
Title II, Conservation:													
Estimated Budget Authority	0	873	914	873	709	411	–48	–161	–236	–295	–324	3,780	2,716
Estimated Outlays	0	193	244	212	82	–76	–299	–284	–272	–297	–299	656	–795
Title III, Trade:													
Estimated Budget Authority	0	65	65	65	65	65	45	45	45	45	45	325	550
Estimated Outlays	0	45	45	45	45	45	45	45	45	45	45	225	450
Title IV, Nutrition:													
Estimated Budget Authority	0	573	174	528	392	217	5	–123	–260	–388	–534	1,883	583
Estimated Outlays	0	388	230	566	381	207	–1	–125	–260	–388	–534	1,771	463
Title V, Credit:													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Title VI, Rural Infrastructure and Economic Development:													
Estimated Budget Authority	0	–50	–50	–50	–50	–50	–50	–50	–50	–50	–50	–250	–500
Estimated Outlays	0	–45	–61	–61	–50	–50	–50	–50	–50	–50	–50	–267	–517
Title VII, Research, Extension, and Related Matters:													
Estimated Budget Authority	0	50	50	50	50	50	0	0	0	0	0	250	250
Estimated Outlays	0	8	25	38	48	50	43	25	13	3	0	168	250
Title VIII, Forestry:													
Estimated Budget Authority	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0	0
Title IX, Horticulture:													
Estimated Budget Authority	0	10	0	0	0	0	0	0	0	0	0	10	10
Estimated Outlays	0	2	2	2	2	2	0	0	0	0	0	10	10
Title X, Crop Insurance:													
Estimated Budget Authority	0	–19	–19	–19	–19	–19	–19	–19	–19	–19	–18	–93	–184
Estimated Outlays	0	–6	–14	–16	–17	–17	–18	–18	–18	–18	–18	–70	–161
Title XI, Miscellaneous:													
Estimated Budget Authority	0	258	82	82	82	82	–4	–4	–4	–4	–4	585	566
Estimated Outlays	0	152	156	82	82	82	26	–2	–4	–4	–4	553	566

The bill would modify the calculation of PLC benefits and redefine the reference price to allow an escalation during periods of relatively high historical commodity prices. In addition, producers in areas subject to severe drought during the 2008–2012 period would be allowed to update the yield used to calculate PLC benefits. Finally, participants who did not plant an eligible crop on their farm during the 2009–2017 period would not be permitted to receive federal payments on those program acres in the future. As a result of those changes, CBO estimates that PLC payments under section 1116 would increase by \$0.4 billion over the 2019–2028 period and ARC payments under section 1117 would fall by \$0.3 billion over the same period.

	3	10	15	19	20	17	10	5	1	0	67	100
Sec. 7507, Beginning Farmer and Rancher Development Program												
Subtotal, Title VII	8	25	38	48	50	43	25	13	3	0	168	250
Title VIII, Forestry	0	0	0	0	0	0	0	0	0	0	0	0
Title IX, Horticulture:												
Sec. 9006, National Organic Program Technology Update	1	1	1	1	1	0	0	0	0	0	5	5
Sec. 9006, Organic Production and Market Data Initiative	1	1	1	1	1	0	0	0	0	0	5	5
Subtotal, Title IX	2	2	2	2	2	0	0	0	0	0	10	10
Title X, Crop Insurance:												
Sec. 10001, Treatment of Forage and Grazing	1	9	10	10	10	10	10	10	10	10	40	90
Sec. 10002, Administrative Basic Fee	-1	-7	-8	-8	-8	-8	-8	-8	-8	-8	-32	-72
Sec. 10006, Program Administration	0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-8	-18
Sec. 10008, Whole Farm Application to Beginning Farmers and Ranchers	0	1	1	1	1	1	1	1	1	1	4	9
Sec. 10008, Research and Development Priorities	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-23	-45
Sec. 10010, Education and Risk Management Assistance	-1	-11	-12	-13	-14	-14	-15	-15	-15	-15	-52	-125
Subtotal, Title X	-6	-14	-16	-17	-17	-18	-18	-18	-18	-18	-70	-161
Title XI, Miscellaneous:												
Sec. 11101, National Animal Disease Preparedness and Response ..	150	125	50	50	50	25	0	0	0	0	425	450
Sec. 11201, Outreach and Assistance to Socially Disadvantaged Producers	5	8	10	10	10	5	2	0	0	0	43	50
Sec. 11304, Textile Trust Fund	1	26	25	25	25	0	0	0	0	0	103	103
Sec. 11502, Noninsured Crop Disaster Assistance Program	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-19	-37
Subtotal, Title XI	152	156	82	82	82	26	-2	-4	-4	-4	553	566
TOTAL INCREASES OR DECREASES (-) IN DIRECT SPENDING	719	630	1,020	582	244	-240	-302	-640	-748	-807	3,195	458
TOTAL INCREASES IN REVENUES	0	0	0	55	60	60	65	70	75	80	115	465
NET INCREASE OR DECREASE (-) IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES	719	630	1,020	527	184	-300	-367	-710	-823	-887	3,080	-7

Components may not sum to totals because of rounding. The table excludes data on discretionary spending that would be subject to future appropriations. Estimates are relative to CBO's April 2018 baseline. For revenues, positive numbers indicate a decrease in the deficit.
 * Between -\$500,000 and \$500,000.
 ** This estimate includes direct spending effects from sections 4012, 4013, and 4014, assuming all are enacted concurrently. It also assumes that section 4006 is enacted concurrently with these sections, and it includes those interaction effects.
 *** This provision would affect both direct spending and revenues.

Title II, Conservation. This title would reauthorize and modify land conservation programs administered by USDA. CBO estimates that enacting those provisions would result in a net reduction in spending of \$0.8 billion over the 2019–2028 period. Significant changes in conservation programs include:

- Increasing annual funding for the Environmental Quality Incentives Program (section 2302) from \$1.8 billion per year under current law to \$3.0 billion per year by 2023, for a total increase in spending of \$7.7 billion over the 10-year period;
- Increasing annual funding for the Agricultural Conservation Easement Program and Regional Conservation Partnership Program (sections 2601 and 2704); for a total increase in spending of \$3.5 billion over the 2019–2028 period;
- Increasing funding for small watershed rehabilitation by \$0.1 billion per year for the 2019–2023 period and by \$0.1 billion for the Feral Swine Eradication and Control Pilot Program along with other provisions (sections 2402 through 2405), for a total cost of \$0.6 billion over the 2019–2028 period; and
- Repealing the Conservation Stewardship Program beginning 2019, which would reduce spending by \$12.6 billion over the 2019–2028 period.

Title III, Trade. Title III would reauthorize USDA’s Food for Progress program and consolidate four other market development programs into a single program. The Market Access Program, the Foreign Market Development Cooperator Program, Technical Assistance for Specialty Crops, and the E. (Kika) De La Garza Emerging Markets Program would be combined into the proposed International Market Development Program. CBO estimates that spending under the combined program would increase by \$450 million over the 2019–2028 period.

Title IV, Nutrition. Title IV would reauthorize the Supplemental Nutrition Assistance Program (SNAP) and related nutrition programs through fiscal year 2023 and make several changes to those programs. CBO estimates that enacting title IV would increase direct spending by \$1.8 billion over the 2019–2023 period and by \$0.5 billion over the 2019–2028 period. It also would increase revenues by \$0.5 billion over the 2019–2028 period.

Section 4015, Workforce Solutions. Under section 4015, starting in 2021 certain SNAP recipients must either be employed or in a state-government-sponsored training program unless they qualify for certain waivers. CBO estimates that this provision would reduce spending on benefits by \$9.2 billion over the 2019–2028 period because it would cause some people to lose eligibility. The federal government’s administrative costs for this provision would increase by \$7.7 billion over the same period, CBO estimates, mostly to fund training. Under this provision, SNAP spending would decline, on net, by \$1.5 billion over the 2019–2028 period.

Beginning in 2021, SNAP recipients between the ages of 18 and 59 who are neither disabled nor caring for a child under the age of 6 would need to either work or participate in a training program for 20 hours each week; that requirement would increase to 25 hours each week in 2026. Pregnant women, people who care for an incapacitated person, and anyone a state determines is unable for “good cause” to meet the requirement would be exempted. Criteria defined in the bill would permit a state to waive the work require-

ment for people living in areas with high unemployment. In addition, using a calculation defined in the bill, states could offer a certain number of individual monthly exemptions.

The bill would provide \$1 billion each year, divided among the states, to help meet the bill's employment and training requirements. States also could provide services using their own funds, which would be matched with federal dollars (as is the case for state funding of some of the program's other administrative costs). Allowable training under the proposal includes supervised job search and job search training, educational programs to improve basic skills, subsidized employment, volunteer work (unpaid and limited to 6 out of 12 months), and other programs designed either to improve recipients' employability or their ability to retain employment. States would be required to provide case management services to training participants.

Implementation Timeline. CBO expects that states would not be able to offer training to all eligible recipients when the requirement takes effect in 2021, or even by the end of 2028. Although each state currently operates employment and training programs for SNAP recipients, the scope of those programs varies widely, and CBO expects that offering training services to all eligible recipients would require many states to expand their programs substantially. CBO estimates that by the end of 2028, about 80 percent of the beneficiaries who are subject to the work requirement would be offered such services through a state program. CBO assumes that SNAP recipients would not lose benefits if the states failed to offer those people slots in employment and training programs.

Able-Bodied Adults Without Dependents. Under current law, time limits are placed on program eligibility for able-bodied adults between the ages of 18 and 49 who have no dependents and are not disabled. (Those limits may be waived if a beneficiary is working or has received some other waiver.) CBO estimates that when the policy goes into effect, such recipients will constitute 6.5 percent of all beneficiaries. Under the proposal, that group ultimately would decline by 7 percent, CBO projects, primarily because of tighter criteria for states to waive time limits for people who live in areas with high unemployment.

Other Recipients. To estimate the number of affected beneficiaries, CBO used USDA's quality control data for SNAP to identify additional recipients who might be subject to the work requirement. Using those data, CBO estimates that—excluding able-bodied adults without dependents—under current law, 17 percent of SNAP recipients are between the ages of 18 and 59, are not receiving disability benefits, and are not caring for a child under the age of 6.

Using those same data, CBO estimates that in an average month, 31 percent of those "other" SNAP recipients work enough hours to meet the bill's work requirement. CBO further estimates that 2 percent of that group would meet the requirement through participation in a training program under the proposal, 8 percent would receive waivers for living in a high-unemployment area, and 14 percent in an average month would receive an individual exemption (as would be newly calculated under that section of the bill). CBO estimates that another 21 percent of the "other" group, or about half of those remaining, would qualify for an exemption

from the new policy for another reason, including disability or unfitness to work (without receiving disability benefits), pregnancy, caring for an incapacitated person, or for good cause, as defined by the state. Ultimately, of the 17 percent of people that CBO identified in the quality control data as potentially subject to the requirement, we expect that 76 percent would remain on SNAP and the remaining 24 percent would no longer receive benefits under the proposal.

Total Changes in Benefit Spending. In total, CBO estimates that in 2028 the SNAP caseload under the bill's proposed work requirement would be lower by about 1.2 million people in an average month than it is under current law, or about 3.7 percent of the total caseload. CBO estimates that about 11 percent of the 1.2 million people who would no longer receive benefits would be able-bodied adults between the ages of 18 and 49 without dependents. About 27 percent of that group would be between the ages of 50 and 59 and without dependents. The other 62 percent would be adults between the ages of 18 and 59 who live in households with children (but not including those caring for children under 6). CBO estimates that, on average in 2028, those people would lose an annual benefit amount of \$1,816.

Changes in Administrative Spending. Under current law, all states share an annual grant of \$110 million for employment and training programs for SNAP recipients. Each state also can receive federal funds that match dollar-for-dollar their additional spending on workforce training for SNAP recipients or for reimbursing participants for certain expenses incurred during training, such as child care or transportation.

Under section 4015, federal funding for employment and training services would increase to \$270 million in 2020 and to \$1 billion in every year thereafter. As under current law, those funds would be shared by the states. CBO estimates that it will take some time for states to expand their programs enough to spend all of the additional funding. From 2021 to 2025, CBO estimates, the additional grant money would pay for services that under current law are covered by matching funds; as a result, federal spending for matching funds would be less than under current law. From 2026 onward, however, federal matching funds would increase relative to CBO's baseline as states expand their training programs to serve more recipients. In total, direct federal funding for grants would increase by \$7.3 billion and federal matching funds would decrease by \$0.6 billion over the 10-year period, for a net increase of \$6.7 billion in spending for employment and training under SNAP.

CBO also estimates that spending on other administrative expenses would increase because of an increase in the cost to states of tracking who is meeting the work requirements (or is exempt from them) under the proposal. Those additional costs would be partially offset by a reduction in administrative costs because of the overall reduction in the number of people receiving benefits. On net, CBO estimates there would be an increase in administrative expenses of \$0.9 billion over the 2019–2028 period.

Section 4006, Update to Categorical Eligibility. Under current law, most households that receive SNAP benefits have categorical eligibility—they automatically qualify for benefits because they participate in certain other federal or state programs. Many states

have implemented a system, known as broad-based categorical eligibility, under which a household automatically qualifies because it receives or is authorized to receive noncash benefits under the Temporary Assistance for Needy Families (TANF) program. At the state's option, households can qualify for SNAP benefits if their gross monthly income is up to 200 percent of the federal poverty guidelines (commonly called the federal poverty level, or FPL).

Section 4006 of title IV would limit categorical eligibility to households whose gross monthly income is no more than 130 percent of the FPL and who receive cash assistance or "ongoing and substantial services." Households with an elderly or disabled member would still be eligible under the higher threshold of 200 percent of the FPL.

CBO estimates that in an average year, about 400,000 households would lose SNAP eligibility as a result of the change to the gross income threshold. There would be an additional effect on children who are categorically eligible for free meals at school because of their eligibility for SNAP. If their households lost SNAP eligibility because of the revised threshold and their families were not otherwise eligible for free meals, those children would be eligible only for reduced-price or paid meals. Those meals have smaller reimbursement rates to the meal providers and thus the federal costs of the child nutrition program would decline. CBO estimates that in an average year, about 265,000 children would lose access to free school meals under this provision. Based on conversations with policy experts, CBO expects that the requirement for households to receive ongoing and substantial services would not affect how states apply broad-based categorical eligibility to eligible households. CBO estimates that, including the SNAP and child nutrition effects, enacting section 4006 would save \$5 billion over the 2019–2028 period.

Section 4008, Earned Income Deduction. Under current law, SNAP benefits are based on income reported by each household to enroll in and remain eligible for the program. Under section 4008, the amount of earnings that SNAP households can deduct from their income to arrive at the reportable total would rise from 20 percent, under current law, to 22 percent.

CBO used quality control data from SNAP to recalculate benefits for households currently claiming the deduction. CBO estimates that employed recipients would increase their earnings slightly in response to the new rate and that the overall costs of the provision would be lower by about 11 percent compared to what costs would be if there were no change in earnings among employed recipients. CBO also anticipates that the proposal would allow a small number of new households whose income is now too high to qualify to enroll in SNAP—a change that raised CBO's estimate of the overall costs of section 4008 by about 3 percent. In total, CBO estimates, the provision would increase spending on SNAP benefits by \$4.6 billion over the 2019–2028 period (or 0.8 percent of total spending for benefits over that period).

Section 4022, National Gateway. This section would require all SNAP transactions to be routed through a national gateway that would collect fees from the state contractors that provide Electronic Benefits Transfer (EBT) services and from the businesses that manage electronic payments for retailers. CBO considers such fees

to be revenues. These revenues would be used to pay for the costs of operating the gateway. CBO estimates that the gateway provision also would increase SNAP administrative costs because the states' EBT contractors would pass along the additional costs to the states. This section would provide about \$10 million annually to cover start-up and contract-monitoring costs. CBO estimates that from 2019 to 2028, this provision would increase revenues by \$465 million and direct spending by \$601 million, for a net increase in the deficit of \$136 million.

Section 4010, Standard Utility Allowances. Under current law, households qualify for a heating or cooling standard utility allowance (SUA) if they provide proof that they either pay heating or cooling expenses or receive more than \$20 in assistance through the federal Low-Income Home Energy Assistance Program (LIHEAP). Some states currently send \$21 in LIHEAP benefits to SNAP participants so that they automatically qualify for the allowance. The value of the SUA is used, along with other factors, to determine the amount of housing expenses that households can deduct from their income in calculating SNAP benefit amounts.

Section 4010 of title IV would prohibit SNAP households receiving energy assistance from automatically qualifying for those allowances. CBO estimates that under this provision, about 560,000 households would have their SNAP benefits reduced by an average of \$84 per month, as their income would be higher because they would no longer qualify for the SUA. About two-thirds of the affected households would be those that qualify under current law for the SUA as a result of the minimum LIHEAP benefit. This provision would reduce direct spending by \$5.2 billion over the 2019–2028 period.

Section 4011, Child Support. This section would make several changes to SNAP rules related to child support. In total, CBO estimates, the provisions would increase direct spending by \$3.5 billion over the 2019–2028 period.

Under current law, states may require SNAP participants who are parents of children under age 18 to cooperate with child support enforcement agencies in order to receive benefits. Five states and Guam require that, and section 4011 would direct all states to implement that requirement. CBO estimates that enacting the provision would have two major budgetary effects in states that currently do not require such cooperation: First, benefits would be lower for households that began to receive child support, and second, the costs of operating the child support program would increase.

CBO expects that under current law, about 4 million households with an absent parent will participate in SNAP in 2028 and that three-quarters of those households will receive no child support that year. Using data from the Office of Child Support Enforcement concerning payments made to participants in TANF—which has a cooperation requirement—CBO estimates that about 570,000 additional SNAP households would receive child support in 2028, the first year in which the policy is fully phased in. On the basis of the child support payments reported for SNAP recipients in recent years, CBO estimates that, on average, those households would receive about \$1,400 less in benefits in 2028. In total, CBO estimates,

the provision would reduce direct spending on SNAP benefits by \$800 million in 2028 and by \$4 billion over the 2019–2028 period.

The federal government reimburses states for 66 percent of the costs they incur to process and maintain child support orders. Using census data and USDA’s quality control data, CBO estimates that child support agencies would process information for about 1.2 million additional households in 2028 and that the average cost to process and maintain each order would be about \$1,000 in that year. CBO estimates that the total cost to establish and maintain orders for SNAP households would be \$1.2 billion in 2028 and \$7.2 billion over the 2019–2028 period. Other smaller effects would increase net costs by \$0.2 billion over the same period.

Other child support provisions of the bill would have smaller budgetary effects. CBO estimates that those provisions would increase direct spending by \$16 million in 2028 and by about \$125 million over the 2029–2028 period.

Other Provisions. Title IV would make additional changes to SNAP and related nutrition programs, including the following:

- Sections 4002, 4003, and 4033 would amend or create several SNAP-related grant programs and pilot projects. For example, under section 4002, retailers could provide bonuses to SNAP households based on their purchases of fruits, vegetables, and milk. CBO estimates that together enacting those provisions would cost \$2.3 billion over the 2019–2028 period.

- Sections 4007, 4009, 4012, 4013, 4014, and 4024 would change the way SNAP eligibility and certain benefits are calculated. For example, section 4007 would exclude up to \$500 of a military housing allowance from household income in determining SNAP eligibility and benefits. CBO estimates that in total, enacting those provisions would cost \$1.3 billion over the 2019–2028 period.

- Sections 4001, 4017, 4020, 4027, and 4036 would change the way states or the federal government administer SNAP benefits and operate the program. For example, section 4017 would allow SNAP participants to redeem benefits using smart phones. CBO estimates that enacting those provisions would, on net, save \$324 million over the 2019–2028 period.

- Sections 4018, 4026, 4028, 4029, and 4032 would make other changes to SNAP and to the Emergency Food Assistance Program. For example, section 4026 would require the Secretary of Agriculture to collect data on the types of food that people buy with their SNAP benefits. CBO estimates that enacting those provisions would, on net, cost \$251 million over the 2019–2028 period.

Interaction Effects. Title IV includes several provisions that would interact with one another. For example, the provision in section 4006 that limits categorical eligibility would interact with the provision in section 4015 that imposes work requirements on certain SNAP recipients. CBO expects that the categorical eligibility provision would decrease the number of households eligible for SNAP benefits, and that decrease would in turn reduce the savings from imposing work requirements on SNAP recipients. In total, CBO estimates, such interactions would increase costs by \$30 million over the 2019–2028 period.

Title V, Credit. Title V would reauthorize farm ownership and operating loans and loan guarantees through 2023. It also would

increase lending limits on loan guarantees for farm ownership and operating loans, reauthorize individual development accounts for beginning farmers and ranchers through 2023, and amend farm ownership eligibility requirements for loans to beginning farmers and ranchers.

Title V also would make technical corrections to the Consolidated Farm and Rural Development Act and to the Farm Credit Act of 1971 to bring the statutes into comportment with current USDA practices. CBO estimates that enacting title V would have no effect on direct spending; all of the effects on spending would be subject to appropriation.

Title VI, Rural Infrastructure and Economic Development. Title VI would eliminate the mandatory funding for USDA's Biorefinery Assistance and Rural Energy for America Programs. CBO estimates that eliminating those programs would reduce direct spending by \$517 million over the 2019–2028 period.

Title VII, Research, Extension, and Related Matters. Section 7209 would reauthorize the Organic Agriculture Research and Extension Initiative through 2023. CBO estimates that provision would increase direct spending by \$150 million over the 10-year period. Section 7507 would reauthorize the Beginning Farmer and Rancher Development program. CBO estimates that provision would cost \$100 million over the 2019–2028 period.

Title VIII, Forestry. Title VIII would reauthorize several programs aimed at restoring and conserving forest lands and would expedite certain management activities on lands administered by the Forest Service. CBO estimates that enacting title VIII would not affect direct spending over the 2019–2028 period. All of the spending effects for this title would be subject to appropriation.

Title IX, Horticulture. Title IX would reauthorize specialty crop block grants through 2023. Section 9006 would reauthorize programs to support organic agriculture. CBO estimates those provisions would cost \$10 million over the 2019–2028 period.

Title X, Crop Insurance. CBO estimates that the amendments to the federal crop insurance program would reduce spending by \$0.2 billion over the 2019–2028 period. Those amendments would expand insurance coverage of forage and grazing lands (section 10001), impose higher administrative fees for catastrophic coverage (section 10002), and a reduce funding for research, development, and education assistance (sections 10008 and 10010).

Title XI, Miscellaneous. Section 11101 would authorize USDA to operate a new National Animal Disease and Preparedness Response Program, to include a vaccine bank for rapid response to animal disease outbreaks. CBO estimates that enacting that provision would cost \$450 million over the 10-year period. Section 11304 would combine the Pima Cotton Trust Fund, the Wool Apparel Trust Fund, and the Wool Research and Promotion Fund into a single Textile Trust Fund that is authorized through 2023. CBO estimates the outlays from the combined fund would total \$103 million over the 2019–2023 period. In total, enacting the provisions of Title XI would cost \$566 million.

Spending subject to appropriation

Table 4 compiles the amounts specifically authorized to be appropriated in H.R. 2. CBO estimates that implementing the provisions

TABLE 4—ESTIMATED SPENDING SUBJECT TO APPROPRIATION UNDER H.R. 2—Continued

	By fiscal year, in Millions of Dollars						
	2018	2019	2020	2021	2022	2023	2019–2023
Estimated Outlays	0	248	257	257	257	257	1,274
Title VI, Rural Infrastructure and Economic Development:							
Authorization Level	0	1,351	1,351	1,351	1,351	1,286	6,690
Estimated Outlays	0	179	490	826	1,159	1,292	3,945
Title VII, Research, Extension, and Related Matters:							
Authorization Level	0	1,479	1,479	1,479	1,479	1,479	7,393
Estimated Outlays	0	756	1,183	1,479	1,479	1,479	6,374
Title VIII, Forestry:							
Authorization Level	0	105	105	105	105	105	525
Estimated Outlays	0	56	81	94	102	105	437
Title IX, Horticulture:							
Authorization Level	0	62	63	65	67	69	326
Estimated Outlays	0	51	62	65	67	69	313
Title XI, Miscellaneous:							
Authorization Level	0	60	60	60	60	60	300
Estimated Outlays	0	34	54	60	60	60	268
Total Changes ^a :							
Authorization Level	0	6,176	6,166	6,168	6,170	6,107	30,787
Estimated Outlays	0	2,378	4,479	5,433	5,900	6,084	24,273

Components may not sum to totals because of rounding. Title I and Title X do not contain any provisions that would authorize the appropriation of specific amounts.

^a CBO estimates that implementing the bill would cost \$7.1 billion after 2023.

Title VII, Research, Extension, and Related Matters. Title VII would reauthorize appropriations totaling \$7.4 billion over the 2019–2023 period for various research and educational programs. CBO estimates that implementing those provisions would cost \$6.4 billion over the 2019–2023 period and \$1.0 billion after 2023.

Title VIII, Forestry. Title VIII would reauthorize appropriations totaling \$0.5 billion over the 2019–2023 period for several forestry programs. CBO estimates that implementing those provisions would cost \$0.4 billion over the 2019–2023 period and \$0.1 billion after 2023.

Title IX, Horticulture. Title IX would reauthorize appropriations totaling \$0.3 billion over the 2019–2023 period for the National Organic Program, the Farmers Market and Local Food Promotion program, and other programs intended to support food safety and specialty crops. CBO estimates that implementing those provisions would cost \$0.3 billion over the 2019–2023 period.

Title XI, Miscellaneous. Title XI would authorize appropriations for the new Animal Disease Preparedness and Response program and would reauthorize specified amounts for outreach to socially disadvantaged farmers and veterans and for other programs. Those authorizations would total \$0.3 billion over the 2019–2023 period. CBO estimates that implementing those provisions would cost \$0.3 billion over the 2019–2023 period.

Uncertainty. CBO tries to produce estimates that generally reflect the middle of a range of the most likely outcomes. Estimates of commodity support programs are particularly sensitive to changes in commodity prices and production, which are sensitive to changes in weather and markets, especially trade. The nutrition estimates are particularly sensitive to how, and how quickly, the states implement the policies regarding work requirements, child support, and categorical eligibility. Changes in the state of the

economy, especially inflation and unemployment, could also affect the estimated effects.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

TABLE 5. CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 2, THE AGRICULTURE AND NUTRITION ACT OF 2018, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON AGRICULTURE ON APRIL 18, 2018

	By fiscal year, in millions of dollars—												
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2018– 2023	2018– 2028
NET INCREASE OR DECREASE (–) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	719	630	1,020	527	184	–300	–367	–710	–823	–887	3,080	–7
Memorandum:													
Changes in Outlays	0	719	630	1,020	582	244	–240	–302	–640	–748	–807	3,195	458
Changes in Revenues	0	0	0	0	55	60	60	65	70	75	80	115	465

Increase in long-term direct spending and deficits: CBO estimates that enacting H.R. 2 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

Mandates: H.R. 2 would impose public- and private-sector mandates as defined in UMRA. In the aggregate, CBO estimates, the costs of mandates on public entities would exceed the annual threshold established in that act (\$80 million in 2018, adjusted annually for inflation) for intergovernmental mandates in at least four of the first five years that the mandates were in effect. The costs of mandates on private entities would be below the annual threshold for private-sector mandates (\$106 million in 2018, adjusted annually for inflation).

Mandates that apply to state governments only

The bill would impose intergovernmental mandates by amending SNAP eligibility requirements, placing new responsibilities on states as administrators of Child Support Enforcement, and requiring new state activities in the SNAP program. For large entitlement grant programs like SNAP and Child Support Enforcement, UMRA defines an increase in the stringency of conditions on states or localities as an intergovernmental mandate if the affected governments lack authority to offset those costs while continuing to provide required services. The bill's requirements would increase the workload of state agencies in areas where they have limited flexibility to amend their responsibilities and offset additional costs and thus would be intergovernmental mandates.

The bill also would preempt state and local laws in some areas.

Various provisions of Title IV would impose mandates on state governments, as follows:

- Section 4011 would require SNAP beneficiaries to cooperate with state child support agencies to receive benefits, increasing the population that would be reviewed for compliance with orders for child support. Consequently, the increased workload associated with the new requirements would be an intergovernmental mandate. Under current law, the federal government reimburses states for two-thirds of the administrative costs for child support activities. CBO estimates that the incremental cost to states of the child support changes would total \$1.156 billion from 2019 to 2023.

- Section 4015 would require states to offer employment and training services to SNAP recipients to satisfy new work requirements. Under this provision, states must provide sufficient hours in those activities for SNAP recipients to meet the federal requirement of 20 hours per week of work or participation in a training program (the requirement would increase to 25 hours in 2026). H.R. 2 would allow two years for implementation and would provide \$1 billion annually to states, beginning in 2021, for such programs. Under current law, funding to states for employment and training programs comes from two sources: grant funding from the federal government and a 50 percent match on additional costs states incur. CBO estimates that states would expand their programs gradually, and that initially, states would replace federally matched state funds with federal grant funds. Therefore, CBO anticipates that the states would incur savings in the early years of implementation. As states implemented the work requirements fully, CBO expects, annual costs would exceed the amount of federally allocated funds; therefore, state spending (matched by federal funds) would rise and eventually impose costs on states.

- Section 4022 would increase administrative costs for states to operate EBT systems because private contractors would pass fees that are associated with operating the national gateway along to the states. Increasing the cost of complying with the existing mandate to operate an electronic benefit transfer system would impose a mandate as defined by UMRA. CBO estimates that the incremental cost of that mandate would average \$2 million per year through 2023. Within a couple of years, that cost would rise to \$15 million each year.

- Section 4024 would require states to offer five months of transitional SNAP benefits to households that cease to receive cash assistance under certain programs. Under current law, states may provide those benefits for up to five months. Given the small population of such recipients, CBO estimates that the mandate would impose minimal administrative costs on states.

- Sections 4001, 4015, and 4023 would impose mandates on states by increasing the administrative burden of compliance with new verification, notification, and record retention rules under SNAP. CBO estimates that the incremental costs of those mandates, in the aggregate, would be small because they represent only small increases over current requirements.

Other provisions of H.R. 2 would impose intergovernmental mandates on state and local governments by preempting local laws that regulate the sale or use of pesticides that are registered with the Environmental Protection Agency (EPA) and state laws that impose additional standards on agricultural products that are shipped from other states. Although the preemptions would limit the au-

thority of state and local governments, they would impose no duty that would result in additional spending or loss of revenues.

Mandates that apply to public and private entities

H.R. 2 would impose mandates on intergovernmental and private-sector entities alike by extending for five years, through 2023, EPA's authority to collect maintenance fees for the use of certain pesticides. (Under current law, those fees are to be phased out by 2019.) CBO estimates that those fees would total \$31 million annually and that most of the cost would be borne by private entities. Public entities usually receive waivers from maintenance fees for minor uses or for public health purposes.

Mandates that apply to private entities only

H.R. 2 would impose several mandates on private entities as follows:

- Section 3002 would amend country-of-origin labeling requirements for producers of agricultural commodities for foreign aid. Any costs to producers to comply with those new requirements would probably be included in the amount awarded to producers to fulfill their contracts. Therefore, CBO estimates, producers would incur minimal costs to comply with that mandate.

- Section 9119 would extend a current-law requirement, through 2025, for producers and distributors to pay pesticide registration fees to EPA. CBO estimates that those fees would total \$18 million annually, on average, during the first five years that the mandate is in effect.

- Section 11612 would prohibit the knowing slaughter, transport, purchase, or possession of a dog or cat for human consumption. According to the American Society for the Prevention of Cruelty to Animals, the dog and cat meat industry in the United States is very small. CBO estimates that any lost income to entities participating in the industry would be insignificant.

Other effects on private entities

The bill would impose additional requirements on retailers as conditions of participation in the SNAP program. The costs of those new requirements would result from participation in a voluntary federal program and thus would not be mandates on the private-sector as defined by UMRA.

Section 4022 would establish a national gateway for retailers to route EBT information to a single source that would validate and settle purchases. That operation would be covered by fees imposed on the private-sector entities that participate in the EBT system. CBO estimates that the incremental cost to those participants would be small because the fees imposed by the gateway would replace similar fees that participants already pay. Although entities that use EBT services could incur additional costs to adapt compliant systems, CBO cannot estimate the associated additional costs because of uncertainty in the design and operation of the gateway. Section 4022 also would require retail food stores that apply to accept SNAP/EBT benefits to provide the Department of Agriculture with certain information on their services and equipment. CBO estimates the costs of that requirement to be minimal.

Previous CBO estimate: On April 13, 2018, CBO transmitted a cost estimate of H.R. 2, the Agriculture and Nutrition Act of 2018, as posted on the website of the House Committee on Agriculture on April 12, 2018. CBO's estimate of the direct spending and revenue effects of H.R. 2, as ordered reported, are the same as the estimates of the posted bill.

Estimate prepared by: Federal costs: Tia Caldwell, Elizabeth Cove Delisle, Kathleen FitzGerald, Jennifer Gray, Justin Latus, and Emily Stern (nutrition provisions); Tiffany Arthur, Jeff LaFave, Jim Langley, and Robert Reese (other provisions).

Mandates: Andrew Laughlin (nutrition provisions) and Zachary Byrum (other provisions).

Estimate reviewed by: Sheila Dacey, Chief, Income Security and Education Cost Estimates Unit; Kim P. Cawley, Chief, Natural and Physical Resources Cost Estimate Unit; Susan Willie, Chief, Mandates Unit; H. Samuel, Papenfuss, Deputy Assistant Director for Budget Analysis; Theresa A. Gullo, Assistant Director for Budget Analysis.

PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation are to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2023, and of other purposes.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(2) of Rule XIII of the Rules of the House of Representatives, the Committee report incorporates the cost estimate prepared by the Director of the Congressional Budget Office pursuant to sections 402 and 423 of the Congressional Budget Act of 1974.

ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

FEDERAL MANDATES STATEMENT

The Committee adopted as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104–4).

EARMARK STATEMENT REQUIRED BY CLAUSE 9 OF RULE XXI OF THE RULES OF THE HOUSE OF REPRESENTATIVES

H.R. 2 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

DUPLICATION OF FEDERAL PROGRAMS

This bill does not establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULE MAKINGS

H.R. 2 includes the following rule makings within the meaning of 5 U.S.C. 551:

- Sec. 1204 requires the Secretary to define “prevailing world market price”.
- Sec. 1601 requires the Secretary to promulgate and revise rules to carry out amendments made by Title I of this Act.
- Sec. 3007 requires the Secretary to revise rules to carry out amendments made by Title III of this Act.
- Sec. 4001 requires the Secretary to promulgate rules to carry out the Duplicative Enrollment Database.
- Sec. 4029 requires the Secretary to promulgate rules to establish criteria related to the effective administration of the supplemental nutrition assistance program.
- Sec. 6116 requires the Secretary to revise rules to carry out amendments made to broadband programs.
- Sec. 8333 requires the Secretary to issue regulations related to dead or dying trees on National Forest System lands.
- Sec. 8503 requires the Secretary to revise regulations related to the analysis necessary in order to make a determination of extraordinary circumstances that would preclude the use of a categorical exclusion.
- Sec. 9006 requires the Secretary to issue regulations to limit the type of operations that are excluded from organic certification.
- Sec. 9116 requires the Administrator of the Environmental Protection Agency to publish and review a work plan and processes for completing certain determinations under the Federal Insecticide, Fungicide and Rodenticide Act.
- Sec. 9131 requires the Secretary of Labor to define “retail facility” as it relates to the direct sales of highly hazardous chemicals to end-users or consumers.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in roman):

**FEDERAL AGRICULTURE IMPROVEMENT AND REFORM
ACT OF 1996**

* * * * *

TITLE I—AGRICULTURAL MARKET TRANSITION ACT

* * * * *

Subtitle D—Other Commodities

* * * * *

CHAPTER 2—SUGAR

* * * * *

SEC. 156. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to—

- (1) 18.00 cents per pound for raw cane sugar for the 2008 crop year;
- (2) 18.25 cents per pound for raw cane sugar for the 2009 crop year;
- (3) 18.50 cents per pound for raw cane sugar for the 2010 crop year; and
- (4) 18.75 cents per pound for raw cane sugar for each of the 2011 through ~~2018~~ 2023 crop years.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to—

- (1) 22.9 cents per pound for refined beet sugar for the 2008 crop year; and
- (2) a rate that is equal to 128.5 percent of the loan rate per pound of raw cane sugar for the applicable crop year under subsection (a) for each of the 2009 through ~~2018~~ 2023 crop years.

(c) TERM OF LOANS.—

(1) IN GENERAL.—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

- (A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or
- (B) the end of the fiscal year in which the loan is made.

(2) SUPPLEMENTAL LOANS.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

- (A) be made at the loan rate in effect at the time the first loan was made; and
- (B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) NONRECOURSE LOANS.—The Secretary shall carry out this section through the use of nonrecourse loans.

(2) PROCESSOR ASSURANCES.—

- (A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure

that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

(B) MINIMUM PAYMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.

(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification requirement, or similar administrative requirement not otherwise in effect on May 13, 2002, that has the effect of preventing a processor from electing to forfeit the loan collateral (of an acceptable grade and quality) on the maturity of the loan.

(e) LOANS FOR IN-PROCESS SUGAR.—

(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term “in-process sugars and syrups” does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.

(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

(4) FURTHER PROCESSING ON FORFEITURE.—

(A) IN GENERAL.—As a condition of the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Commodity Credit Corporation.

(C) PAYMENT TO PROCESSOR.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—

(i) the difference between—

(I) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

(II) the loan rate the processor received under paragraph (3); by

(ii) the quantity of sugar transferred to the Secretary.

(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) for the raw cane sugar or refined beet sugar, as appropriate.

(6) TERM OF LOAN.—The term of a loan made under this subsection for a quantity of in-process sugars and syrups, when combined with the term of a loan made with respect to the raw cane sugar or refined beet sugar derived from the in-process sugars and syrups, may not exceed 9 months, consistent with subsection (c).

(f) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

(1) IN GENERAL.—Subject to subsection (d)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

(2) INVENTORY DISPOSITION.—

(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

(B) BIOENERGY FEEDSTOCK.—If a reduction in the quantity of production accepted under subparagraph (A) involves sugar beets or sugarcane that has already been planted, the sugar beets or sugarcane so planted may not be used for any commercial purpose other than as a bioenergy feedstock.

(C) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Commodity Credit Corporation under any other law.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) DUTY OF PRODUCERS TO REPORT.—

(A) PROPORTIONATE SHARE STATES.—As a condition of a loan made to a processor for the benefit of a producer, the Secretary shall require each producer of sugarcane located in a State (other than the Commonwealth of Puerto Rico)

in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

(B) OTHER STATES.—The Secretary may require each producer of sugarcane or sugar beets not covered by subparagraph (A) to report, in a manner prescribed by the Secretary, the yields of, and acres planted to, sugarcane or sugar beets, respectively, of the producer.

(3) DUTY OF IMPORTERS TO REPORT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are subject to the lower rate of duties.

(4) COLLECTION OF INFORMATION ON MEXICO.—

(A) COLLECTION.—The Secretary shall collect—

(i) information on the production, consumption, stocks, and trade of sugar in Mexico, including United States exports of sugar to Mexico; and

(ii) publicly available information on Mexican production, consumption, and trade of high fructose corn syrups.

(B) PUBLICATION.—The data collected under subparagraph (A) shall be published in each edition of the World Agricultural Supply and Demand Estimates.

(5) PENALTY.—Any person willfully failing or refusing to furnish the information required to be reported by paragraph (1), (2), or (3), or furnishing willfully false information, shall be subject to a civil penalty of not more than \$10,000 for each such violation.

(6) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the reexport programs and polyhydric alcohol program administered by the Secretary, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.

(i) EFFECTIVE PERIOD.—This section shall be effective only for the 2008 through **[2018]** 2023 crops of sugar beets and sugarcane.

Subtitle E—Administration

* * * * *

SEC. 164. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

(a) IN GENERAL.—Except as provided in subsection (b), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under [this title title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Agricultural Act of 2014 unless] *this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), title I of the Agricultural Act of 2014, or Agriculture and Nutrition Act of 2018* the loan was obtained through a fraudulent representation by the producer.

(b) LIMITATIONS.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity;

or

(3) a failure or refusal to deliver a commodity in accordance with a program established under this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Agricultural Act of 2014.

(c) ACQUISITION OF COLLATERAL.—In the case of a nonrecourse loan made under this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Agricultural Act of 2014 or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corporation shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

* * * * *

SEC. 166. COMMODITY CERTIFICATES.

(a) IN GENERAL.—In making in-kind payments under subtitle C of this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008, [and Subtitle B of title I of the Agricultural Act of 2014] *subtitle B of title I of the Agricultural Act of 2014, and subtitle B of title I of the Agriculture and Nutrition Act of 2018*, the Commodity Credit Corporation may—

- (1) acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;
 - (2) use other commodities owned by the Commodity Credit Corporation; and
 - (3) redeem negotiable marketing certificates for cash under terms and conditions established by the Secretary.
- (b) **METHODS OF PAYMENT.**—The Commodity Credit Corporation may make in-kind payments—
- (1) by delivery of the commodity at a warehouse or other similar facility;
 - (2) by the transfer of negotiable warehouse receipts;
 - (3) by the issuance of negotiable certificates, which the Commodity Credit Corporation shall exchange for a commodity owned or controlled by the Corporation in accordance with regulations promulgated by the Corporation; or
 - (4) by such other methods as the Commodity Credit Corporation determines appropriate to promote the efficient, equitable, and expeditious receipt of the in-kind payments so that a person receiving the payments receives the same total return as if the payments had been made in cash.
- (c) **ADMINISTRATION.**—
- (1) **FORM.**—At the option of a producer, the Commodity Credit Corporation shall make negotiable certificates authorized under subsection (b)(3) available to the producer, in the form of program payments or by sale, in a manner that the Corporation determines will encourage the orderly marketing of commodities pledged as collateral for loans made to producers under subtitle C of this title, title I of the Farm Security and Rural Investment Act of 2002, title I of the Food, Conservation, and Energy Act of 2008, [and Subtitle B of title I of the Agricultural Act of 2014] *subtitle B of title I of the Agricultural Act of 2014, and subtitle B of title I of the Agriculture and Nutrition Act of 2018.*
 - (2) **TRANSFER.**—A negotiable certificate issued in accordance with this subsection may be transferred to another person in accordance with regulations promulgated by the Secretary.
 - (3) **APPLICATION OF AUTHORITY.**—Beginning with the 2015 crop marketing year, the Secretary shall carry out paragraph (1) under the same terms and conditions as were in effect for the 2008 crop year for loans made to producers under subtitle B of title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.).

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Subtitle H—Miscellaneous Commodity Provisions

* * * * *

SEC. 196. ADMINISTRATION AND OPERATION OF NONINSURED CROP ASSISTANCE PROGRAM.

- (a) **OPERATION AND ADMINISTRATION OF PROGRAM.**—
 - (1) **IN GENERAL.**—

(A) COVERAGES.—In the case of an eligible crop described in paragraph (2), the Secretary of Agriculture shall operate a noninsured crop disaster assistance program to provide coverages based on individual yields (other than for value-loss crops) equivalent to—

(i) catastrophic risk protection available under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)); or

(ii) except in the case of crops and grasses used for grazing, additional coverage available under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) that does not exceed 65 percent, as described in subsection (l).

(B) ADMINISTRATION.—The Secretary shall carry out this section through the Farm Service Agency (referred to in this section as the “Agency”).

(2) ELIGIBLE CROPS.—

[(A) IN GENERAL.—In this section, the term “eligible crop” means each commercial crop or other agricultural commodity (except livestock)—

[(i) for which catastrophic risk protection under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is not available;

[(ii) for which additional coverage under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) is not available; and

[(iii) that is produced for food or fiber.]

(A) *IN GENERAL.—Subject to subparagraph (B), in this section, the term “eligible crop” means each commercial crop or other agricultural commodity that is produced for food or fiber (except livestock) for which catastrophic risk protection under subsection (b) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) and additional coverage under subsections (c) and (h) of such section are not available or, if such coverage is available, it is only available under a policy that provides coverage for specific intervals based on weather indexes or under a whole farm plan of insurance.*

(B) CROPS SPECIFICALLY INCLUDED.—The term “eligible crop” shall include floricultural, ornamental nursery, and Christmas tree crops, turfgrass sod, seed crops, aquaculture (including ornamental fish), sea grass and sea oats, camelina, sweet sorghum, biomass sorghum, and industrial crops (including those grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products).

(C) COMBINATION OF SIMILAR TYPES OR VARIETIES.—At the option of the Secretary, all types or varieties of a crop or commodity, described in subparagraphs (A) and (B), may be considered to be a single eligible crop under this section.

(3) CAUSE OF LOSS.—To qualify for assistance under this section, the losses of the noninsured commodity shall be due to drought, flood, or other natural disaster, as determined by the Secretary.

(4) PROGRAM REDUCTION IN BENEFITS RELATING TO CROP PRODUCTION ON NATIVE SOD.—

(A) DEFINITION OF NATIVE SOD.—In this paragraph, the term “native sod” means land—

(i) on which the plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing; and

(ii) that has never been tilled, or the producer cannot substantiate that the ground has ever been tilled, for the production of an annual crop as of the date of enactment of this paragraph.

(B) REDUCTION IN BENEFITS.—

(i) IN GENERAL.—During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this section as described in this subparagraph.

(ii) DE MINIMIS ACREAGE EXEMPTION.—The Secretary shall exempt areas of 5 acres or less from clause (i).

(iii) REDUCTION.—For purposes of the reduction in benefits for the acreage described in clause (i)—

(I) the approved yield shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

(II) the service fees or premiums for crops planted on native sod shall be equal to 200 percent of the amount determined in subsections (l)(2) or (k), as applicable, but in no case shall exceed the amount determined in subsection (l)(2)(B)(ii).

(C) APPLICATION.—This paragraph shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.

(b) APPLICATION FOR NONINSURED CROP DISASTER ASSISTANCE.—

(1) TIMELY APPLICATION.—To be eligible for assistance under this section, a producer shall submit an application for noninsured crop disaster assistance at a local office of the Department. The application shall be in such form, contain such information, and be submitted not later than 30 days before the beginning of the coverage period, as determined by the Secretary.

(2) RECORDS.—To be eligible for assistance under this section, a producer shall provide annually to the Secretary records of crop acreage, acreage yields, and production for each crop, as required by the Secretary.

(3) ACREAGE REPORTS.—A producer shall provide annual reports on acreage planted or prevented from being planted, as required by the Secretary, by the designated acreage reporting date for the crop and location as established by the Secretary.

(c) LOSS REQUIREMENTS.—

(1) CAUSE.—To be eligible for assistance under this section, a producer of an eligible crop shall have suffered a loss of a noninsured commodity as the result of a cause described in subsection (a)(3).

(2) ASSISTANCE.—

(A) IN GENERAL.—On making a determination described in subsection (a)(3), the Secretary shall provide assistance under this section to producers of an eligible crop that have suffered a loss as a result of the cause described in subsection (a)(3).

(B) AQUACULTURE PRODUCERS.—On making a determination described in subsection (a)(3) for aquaculture producers, the Secretary shall provide assistance under this section to aquaculture producers from all losses related to drought.

(3) PREVENTED PLANTING.—Subject to paragraph (1), the Secretary shall make a prevented planting noninsured crop disaster assistance payment if the producer is prevented from planting more than 35 percent of the acreage intended for the eligible crop because of drought, flood, or other natural disaster, as determined by the Secretary.

(4) AREA TRIGGER.—The Secretary shall provide assistance to individual producers without any requirement of an area loss.

(d) PAYMENT.—The Secretary shall make available to a producer eligible for noninsured assistance under this section a payment computed by multiplying—

(1) the quantity that is less than 50 percent of the established yield for the crop; by

(2)(A) in the case of each of the 1996 through 1998 crop years, 60 percent of the average market price for the crop (or any comparable coverage determined by the Secretary); or

(B) in the case of each of the 1999 and subsequent crop years, 55 percent of the average market price for the crop (or any comparable coverage determined by the Secretary); by

(3) a payment rate for the type of crop (as determined by the Secretary) that—

(A) in the case of a crop that is produced with a significant and variable harvesting expense, reflects the decreasing cost incurred in the production cycle for the crop that is—

(i) harvested;

(ii) planted but not harvested; and

(iii) prevented from being planted because of drought, flood, or other natural disaster (as determined by the Secretary); and

(B) in the case of a crop that is not produced with a significant and variable harvesting expense, as determined by the Secretary.

(e) YIELD DETERMINATIONS.—

(1) ESTABLISHMENT.—The Secretary shall establish farm yields for purposes of providing noninsured crop disaster assistance under this section.

(2) ACTUAL PRODUCTION HISTORY.—The Secretary shall determine yield coverage using the actual production history of the producer over a period of not less than the 4 previous consecutive crop years and not more than 10 consecutive crop years. Subject to paragraph (3), the yield for the year in which noninsured crop disaster assistance is sought shall be equal to the average of the actual production history of the producer during the period considered.

(3) ASSIGNMENT OF YIELD.—If a producer does not submit adequate documentation of production history to determine a crop yield under paragraph (2), the Secretary shall assign to the producer a yield equal to not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual production reflected in the records acceptable to the Secretary for continuous years), as specified in regulations issued by the Secretary based on production history requirements.

(4) PROHIBITION ON ASSIGNED YIELDS IN CERTAIN COUNTIES.—

(A) IN GENERAL.—

(i) DOCUMENTATION.—If sufficient data are available to demonstrate that the acreage of a crop in a county for the crop year has increased by more than 100 percent over any year in the preceding 7 crop years or, if data are not available, if the acreage of the crop in the county has increased significantly from the previous crop years, a producer must provide such detailed documentation of production costs, acres planted, and yield for the crop year for which benefits are being claimed as is required by the Secretary. If the Secretary determines that the documentation provided is not sufficient, the Secretary may require documenting proof that the crop, had the crop been harvested, could have been marketed at a reasonable price.

(ii) PROHIBITION.—Except as provided in subparagraph (B), a producer who produces a crop on a farm located in a county described in clause (i) may not obtain an assigned yield.

(B) EXCEPTION.—A crop or a producer shall not be subject to this subsection if—

(i) the planted acreage of the producer for the crop has been inspected by a third party acceptable to the Secretary; or

(ii)(I) the County Executive Director and the State Executive Director recommend an exemption from the requirement to the Administrator of the Agency; and

(II) the Administrator approves the recommendation.

(5) LIMITATION ON RECEIPT OF SUBSEQUENT ASSIGNED YIELD.—A producer who receives an assigned yield for the current year of a natural disaster because required production records were not submitted to the local office of the Department shall not be eligible for an assigned yield for the year of the next natural disaster unless the required production records of the previous 1 or more years (as applicable) are provided to the local office.

(6) YIELD VARIATIONS DUE TO DIFFERENT FARMING PRACTICES.—The Secretary shall ensure that noninsured crop disaster assistance accurately reflects significant yield variations due to different farming practices, such as between irrigated and nonirrigated acreage.

(f) CONTRACT PAYMENTS.—A producer who has received a guaranteed payment for production, as opposed to delivery, of a crop pursuant to a contract shall have the production of the producer

adjusted upward by the amount of the production equal to the amount of the contract payment received.

(g) **USE OF COMMODITY CREDIT CORPORATION.**—The Secretary may use the funds of the Commodity Credit Corporation to carry out this section.

(h) **EXCLUSIONS.**—Noninsured crop disaster assistance under this section shall not cover losses due to—

(1) the neglect or malfeasance of the producer;

(2) the failure of the producer to reseed to the same crop in those areas and under such circumstances where it is customary to reseed; or

(3) the failure of the producer to follow good farming practices, as determined by the Secretary.

(i) **PAYMENT AND INCOME LIMITATIONS.**—

(1) **DEFINITIONS.**—In this subsection, the terms “legal entity” and “person” have the meanings given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(2) **PAYMENT LIMITATION.**—The total amount of payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) for any crop year may not exceed \$125,000.

(3) **LIMITATION ON MULTIPLE BENEFITS FOR SAME LOSS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), if a producer who is eligible to receive benefits under this section is also eligible to receive assistance for the same loss under any other program administered by the Secretary, the producer shall be required to elect whether to receive benefits under this section or under the other program, but not both.

(B) **EXCEPTION.**—Subparagraph (A) shall not apply to emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).

(4) **ADJUSTED GROSS INCOME LIMITATION.**—A person or legal entity that has an average adjusted gross income in excess of the average adjusted gross income limitation applicable under section 1001D(b)(1)(A) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)(1)(A)), or a successor provision, shall not be eligible to receive noninsured crop disaster assistance under this section.

(5) **REGULATIONS.**—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary—

(A) to ensure a fair and equitable application of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), the general payment limitation regulations of the Secretary, and the limitations established under this subsection; and

(B) to ensure that payments under this section are attributed to a person or legal entity (excluding a joint venture or general partnership) in accordance with the terms and conditions of sections 1001 through 1001D of the Food Security Act of 1985 (7 U.S.C. 1308 et seq.), as determined by the Secretary.

(j) **CONFORMING REPEAL.**—

(k) **SERVICE FEE.**—

(1) **IN GENERAL.**—To be eligible to receive assistance for an eligible crop for a crop year under this section, a producer shall

pay to the Secretary (at the time at which the producer submits the application under subsection (b)(1)) a service fee for the eligible crop in an amount that is equal to the lesser of—

(A) ~~[\$250]~~ \$350 per crop per county; or

(B) ~~[\$750]~~ \$1,050 per producer per county, but not to exceed a total of ~~[\$1,875]~~ \$2,100 per producer.

(2) WAIVER.—The Secretary shall waive the service fee required under paragraph (1) in the case of a limited resource, beginning, or socially disadvantaged farmer, as defined by the Secretary.

(3) USE.—The Secretary shall deposit service fees collected under this subsection in the Commodity Credit Corporation Fund.

(1) PAYMENT EQUIVALENT TO ADDITIONAL COVERAGE.—

(1) IN GENERAL.—The Secretary shall make available non-insured assistance under this subsection (other than for crops and grasses used for grazing) at a payment amount that is equivalent to an indemnity for additional coverage under subsections (c) and (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) and equal to the product obtained by multiplying—

(A) the amount that—

(i) the additional coverage yield, which shall be equal to the product obtained by multiplying—

(I) an amount not less than 50 percent nor more than 65 percent, as elected by the producer and specified in 5-percent increments; and

(II) the approved yield for the crop, as determined by the Secretary; exceeds

(ii) the actual yield;

(B) 100 percent of the average market price for the crop, as determined by the Secretary; and

(C) a payment rate for the type of crop, as determined by the Secretary, that reflects—

(i) in the case of a crop that is produced with a significant and variable harvesting expense, the decreasing cost incurred in the production cycle for the crop that is, as applicable—

(I) harvested;

(II) planted but not harvested; or

(III) prevented from being planted because of drought, flood, or other natural disaster, as determined by the Secretary; or

(ii) in the case of a crop that is produced without a significant and variable harvesting expense, such rate as shall be determined by the Secretary.

(2) SERVICE FEE AND PREMIUM.—To be eligible to receive a payment under this subsection, a producer shall pay—

(A) the service fee required by subsection (k); and

(B) the lesser of—

(i) the sum of the premiums for each eligible crop, with the premium for each eligible crop obtained by multiplying—

(I) the number of acres devoted to the eligible crop;

(II) the yield, as determined by the Secretary under subsection (e);

(III) the coverage level elected by the producer;

(IV) the average market price, as determined by the Secretary; **[and]**

(V) a 5.25-percent premium fee; **[or]** *and*

(VI) *the producer's share of the crop; or*

(ii) the product obtained by multiplying—

(I) a 5.25-percent premium fee; and

(II) the applicable payment limit.

[(3) ADDITIONAL AVAILABILITY.—

[(A) IN GENERAL.—As soon as practicable after October 1, 2013, the Secretary shall make assistance available to producers of an otherwise eligible crop described in subsection (a)(2) that suffered losses—

[(i) to a 2012 annual fruit crop grown on a bush or tree; and

[(ii) in a county covered by a declaration by the Secretary of a natural disaster for production losses due to a freeze or frost.

[(B) ASSISTANCE.—The Secretary shall make assistance available under subparagraph (A) in an amount equivalent to assistance available under paragraph (1), less any fees not previously paid under paragraph (2).

[(4)] (3) LIMITED RESOURCE, BEGINNING, AND SOCIALLY DISADVANTAGED FARMERS.—The coverage made available under this subsection shall be available to limited resource, beginning, and socially disadvantaged farmers, as determined by the Secretary, in exchange for a premium that is 50 percent of the premium determined under paragraph (2).

[(5)] (4) EFFECTIVE DATE.—**[**Except as provided in paragraph (3)(A), additional**]** *Additional* coverage under this subsection shall be available for each of the 2015 through **[2018]** 2023 crop years.

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AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

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SUBTITLE B—MARKETING QUOTAS

* * * * *

PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR

* * * * *

SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.**(a) SUGAR ESTIMATES.—**

(1) **IN GENERAL.**—Not later than August 1 before the beginning of each of the 2008 through **[2018]** 2023 crop years for sugarcane and sugar beets, the Secretary shall estimate—

(A) the quantity of sugar that will be subject to human consumption in the United States during the crop year;

(B) the quantity of sugar that would provide for reasonable carryover stocks;

(C) the quantity of sugar that will be available from carry-in stocks for human consumption in the United States during the crop year;

(D) the quantity of sugar that will be available from the domestic processing of sugarcane, sugar beets, and in-process beet sugar; and

(E) the quantity of sugars, syrups, and molasses that will be imported for human consumption or to be used for the extraction of sugar for human consumption in the United States during the crop year, whether the articles are under a tariff-rate quota or are in excess or outside of a tariff-rate quota.

(2) **EXCLUSION.**—The estimates under this subsection shall not apply to sugar imported for the production of polyhydric alcohol or to any sugar refined and reexported in refined form or in products containing sugar.

(3) **REESTIMATES.**—The Secretary shall make reestimates of sugar consumption, stocks, production, and imports for a crop year as necessary, but not later than the beginning of each of the second through fourth quarters of the crop year.

(b) SUGAR ALLOTMENTS.—

(1) **ESTABLISHMENT.**—By the beginning of each crop year, the Secretary shall establish for that crop year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar cane or sugar beets or in-process beet sugar (whether the sugar beets or in-process beet sugar was produced domestically or imported) at a level that is—

(A) sufficient to maintain raw and refined sugar prices above forfeiture levels so that there will be no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272); but

(B) not less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.

(2) **PRODUCTS.**—The Secretary may include sugar products, the majority content of which is sucrose for human consumption, derived from sugar cane, sugar beets, molasses, or sugar in the allotments established under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

(c) COVERAGE OF ALLOTMENTS.—

(1) **IN GENERAL.**—The marketing allotments under this part shall apply to the marketing by processors of sugar intended for domestic human consumption that has been processed from sugar cane, sugar beets, or in-process beet sugar, whether such

sugar beets or in-process beet sugar was produced domestically or imported.

(2) EXCEPTIONS.—Consistent with the administration of marketing allotments for each of the 2002 through 2007 crop years, the marketing allotments shall not apply to sugar sold—

(A) to facilitate the exportation of the sugar to a foreign country, except that the exports of sugar shall not be eligible to receive credits under reexport programs for refined sugar or sugar containing products administered by the Secretary;

(B) to enable another processor to fulfill an allocation established for that processor; or

(C) for uses other than domestic human consumption, except for the sale of sugar for the production of ethanol or other bioenergy if the disposition of the sugar is administered by the Secretary under section 9010 of the Farm Security and Rural Investment Act of 2002.

(3) REQUIREMENT.—The sale of sugar described in paragraph (2)(B) shall be—

- (A) made prior to May 1; and
(B) reported to the Secretary.

(d) PROHIBITIONS.—

(1) IN GENERAL.—During all or part of any crop year for which marketing allotments have been established, no processor of sugar beets or sugarcane shall market for domestic human consumption a quantity of sugar in excess of the allocation established for the processor, except—

(A) to enable another processor to fulfill an allocation established for that other processor; or

(B) to facilitate the exportation of the sugar.

(2) CIVIL PENALTY.—Any processor who knowingly violates paragraph (1) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation.

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SEC. 359I. PERIOD OF EFFECTIVENESS.

(a) IN GENERAL.—This part shall be effective only for the 2008 through [2018] 2023 crop years for sugar.

(b) TRANSITION.—The Secretary shall administer flexible marketing allotments for sugar for the 2007 crop year for sugar on the terms and conditions provided in this part as in effect on the day before the date of enactment of this section.

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AGRICULTURAL ACT OF 2014

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Agricultural Act of 2014”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

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TITLE XII—MISCELLANEOUS

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Subtitle C—Other Miscellaneous Provisions

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[Sec. 12314. Pima agriculture cotton trust fund.

[Sec. 12315. Agriculture Wool Apparel Manufacturers Trust Fund.

[Sec. 12316. Wool research and promotion.]

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TITLE I—COMMODITIES

* * * * *

Subtitle D—Dairy

PART I—[MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS] DAIRY RISK MANAGEMENT PROGRAM FOR DAIRY PRODUCERS

SEC. 1401. DEFINITIONS.

In this part and part III:

(1) **ACTUAL DAIRY PRODUCTION MARGIN.**—The term “actual dairy production margin” means the difference between the all-milk price and the average feed cost, as calculated under section 1402.

(2) **ALL-MILK PRICE.**—The term “all-milk price” means the average price received, per hundredweight of milk, by dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.

(3) **AVERAGE FEED COST.**—The term “average feed cost” means the average cost of feed used by a dairy operation to produce a hundredweight of milk, determined under section 1402 using the sum of the following:

(A) The product determined by multiplying 1.0728 by the price of corn per bushel.

(B) The product determined by multiplying 0.00735 by the price of soybean meal per ton.

(C) The product determined by multiplying 0.0137 by the price of alfalfa hay per ton.

(4) **DAIRY OPERATION.**—

(A) **IN GENERAL.**—The term “dairy operation” means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

(i) shares in the risk of producing milk; and

(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy operation of the individual or entity, which are at least commensurate with the individual or entity’s share of the proceeds of the operation.

(B) ADDITIONAL OWNERSHIP STRUCTURES.—The Secretary shall determine additional ownership structures to be covered by the definition of dairy operation.

[(5) MARGIN PROTECTION PROGRAM.—The term “margin protection program” means the margin protection program required by section 1403.]

[(6) MARGIN PROTECTION PROGRAM PAYMENT.—The term “margin protection program payment” means a payment made to a participating dairy operation under the margin protection program pursuant to section 1406.]

(5) DAIRY RISK MANAGEMENT PROGRAM.—*The terms “dairy risk management program” and “program” mean the dairy risk management program required by section 1403.*

(6) DAIRY RISK MANAGEMENT PAYMENT.—*The term “dairy risk management payment” means a payment made to a participating dairy operation under the program pursuant to section 1406.*

(7) PARTICIPATING DAIRY OPERATION.—The term “participating dairy operation” means a dairy operation that registers under section 1404 to participate in the [margin protection] program.

(8) PRODUCTION HISTORY.—The term “production history” means the production history determined for a participating dairy operation under subsection (a) or (b) of section 1405 when the participating dairy operation first registers to participate in the [margin protection] program.

(9) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(10) UNITED STATES.—The term “United States”, in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCTION MARGINS.

(a) CALCULATION OF AVERAGE FEED COST.—The Secretary shall calculate the national average feed cost for each month using the following data:

(1) The price of corn for a month shall be the price received during that month by farmers in the United States for corn, as reported in the monthly Agricultural Prices report by the Secretary.

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News-Monthly Soybean Meal Price Report by the Secretary.

(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.

(b) CALCULATION OF ACTUAL DAIRY PRODUCTION MARGIN.—

(1) IN GENERAL.—For use in the [margin protection] *dairy risk management* program, the Secretary shall calculate the actual dairy production margin for each month by subtracting—

(A) the average feed cost for that month, determined in accordance with subsection (a); from

(B) the all-milk price for that month.

(2) TIME FOR CALCULATION.—The calculation required by this subsection shall be made as soon as practicable using the full-month price of the applicable reference month.

SEC. 1403. [ESTABLISHMENT OF MARGIN PROTECTION] DAIRY RISK MANAGEMENT PROGRAM FOR DAIRY PRODUCERS.

[Not later than September 1, 2014, the Secretary shall establish and administer a margin protection program] *The Secretary shall continue to administer a dairy risk management program for dairy producers under which participating dairy operations are paid a [margin protection payment] dairy risk management payment when actual dairy production margins are less than the threshold levels for a [margin protection payment] dairy risk management payment.*

SEC. 1404. PARTICIPATION OF DAIRY OPERATIONS IN [MARGIN PROTECTION] PROGRAM.

(a) ELIGIBILITY.—All dairy operations in the United States shall be eligible to participate in the [margin protection program to receive margin protection payments] *dairy risk management program to receive dairy risk management payments.*

(b) REGISTRATION PROCESS.—

(1) IN GENERAL.—The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in the margin protection program, including the establishment of a date each calendar year by which a dairy operation shall register for the calendar year.

(2) EXTENSION OF ELECTION PERIOD FOR 2018 CALENDAR YEAR.—The Secretary shall extend the election period for the 2018 calendar year by not less than 90 days after the date of enactment of the Bipartisan Budget Act of 2018 or such additional period as the Secretary determines is necessary for dairy operations to make new elections to participate for that calendar year, including dairy operations that elected to so participate before that date of enactment.

(3) TREATMENT OF MULTIPRODUCER DAIRY OPERATIONS.—[If] *Subject to paragraph (5), if* a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of participating in the margin protection program.

(4) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to participate in the [margin protection] program.

(5) CERTAIN MULTIPRODUCER DAIRY OPERATION EXCLUSIONS.—

(A) EXCLUSION OF LOW-PERCENTAGE OWNERS.—*To promote administrative efficiency in the dairy risk management program, a multiproducer dairy operation covered by paragraph (3) may elect, at the option of the multiproducer dairy operation, to exclude information from the registration process regarding any individual owner of the multiproducer dairy operation that—*

(i) holds less than a five percent ownership interest in the multiproducer dairy operation; or

(ii) is entitled to less than five percent of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation for any given year.

(B) EFFECT OF EXCLUSION ON DAIRY RISK MANAGEMENT PAYMENTS.—To the extent that an individual owner of a multiproducer dairy operation is excluded under subparagraph (A) from the registration of the multiproducer dairy operation, any dairy risk management payment made to the multiproducer dairy operation shall be reduced by an amount equal to the greater of the following:

(i) The amount determined by multiplying the dairy risk management payment otherwise determined under section 1406 by the total percentage of ownership interests represented by the excluded owners.

(ii) The amount determined by multiplying the dairy risk management payment otherwise determined under section 1406 by the total percentage of the income, revenue, profit, gain, loss, expenditure, deduction, or credit of the multiproducer dairy operation represented by the excluded owners.

(c) ANNUAL ADMINISTRATIVE FEE.—

(1) **ADMINISTRATIVE FEE REQUIRED.**—Each participating dairy operation shall—

(A) pay an administrative fee to register to participate in the [margin protection] program; and

(B) pay the administrative fee annually through the duration of the [margin protection] program specified in section 1409.

(2) **AMOUNT OF FEE.**—The administrative fee for a participating dairy operation shall be \$100.

(3) **USE OF FEES.**—The Secretary shall use administrative fees collected under this subsection to cover administrative costs incurred to carry out the [margin protection] program.

(4) **EXEMPTION.**—A limited resource, beginning, veteran, or socially disadvantaged farmer, as defined by the Secretary, shall be exempt from the administrative fee under this subsection.

(d) RELATION TO LIVESTOCK GROSS MARGIN FOR DAIRY PROGRAM.—A dairy operation may participate in the [margin protection program] *dairy risk management program* [or the] *and the livestock gross margin for dairy program* under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), [but not both] *but not on the same production.*

SEC. 1405. PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.

(a) PRODUCTION HISTORY.—

(1) **IN GENERAL.**—Except as provided in subsection (b), when a dairy operation first registers to participate in the [margin protection program] *dairy risk management program*, the production history of the dairy operation for the [margin protection] program is equal to the highest annual milk marketings of the participating dairy operation during any one of the 2011,

2012, or 2013 calendar years. *The production history of a participating dairy operation shall continue to be based on annual milk marketings during the 2011, 2012, or 2013 calendar year notwithstanding the operation of the dairy risk management program through 2023.*

(2) ADJUSTMENT.—**[In subsequent years]** *In the subsequent calendar years ending before January 1, 2019, the Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) to reflect any increase in the national average milk production.*

(3) CONTINUED APPLICABILITY OF BASE PRODUCTION HISTORY.—A production history established for a dairy operation under paragraph (1) shall be the base production history for the dairy operation in subsequent years (as adjusted under paragraph (2), *as applicable*).

(b) ELECTION BY NEW DAIRY OPERATIONS.—In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the following methods for the Secretary to determine the production history of the participating dairy operation:

(1) The volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a yearly amount.

(2) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by the Secretary.

(c) REQUIRED INFORMATION.—A participating dairy operation shall provide all information that the Secretary may require in order to establish the production history of the participating dairy operation for purposes of participating in the **[margin protection]** program.

(d) LIMITATION ON CHANGES TO BUSINESS STRUCTURE.—*The Secretary may not make dairy risk management payments to a participating dairy operation if the Secretary determines that the participating dairy operation has reorganized the structure of such operation solely for the purpose of qualifying as a new operation under subsection (b).*

SEC. 1406. **[MARGIN PROTECTION] DAIRY RISK MANAGEMENT PAYMENTS.**

(a) COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.—For purposes of receiving **[margin protection]** *dairy risk management* payments for a month, a participating dairy operation shall **[annually]** elect—

(1) a coverage level threshold that is equal to \$4.00, \$4.50, \$5.00, \$5.50, \$6.00, \$6.50, \$7.00, \$7.50, or \$8.00 (*and in the case of production subject to premiums under section 1407(b), also \$8.50 or \$9.00*); and

(2) a percentage of coverage, in 5-percent increments, **[beginning with 25 percent and not exceeding]** *but not to exceed* 90 percent of the production history of the participating dairy operation.

(b) PAYMENT THRESHOLD.—A participating dairy operation shall receive a **[margin protection]** *dairy risk management* payment whenever the average actual dairy production margin for a month

is less than the coverage level threshold selected by the participating dairy operation.

(c) **AMOUNT OF [MARGIN PROTECTION] PAYMENT.**—The [margin protection] *dairy risk management* payment for the participating dairy operation shall be determined as follows:

(1) The Secretary shall calculate the amount by which the coverage level threshold selected by the participating dairy operation exceeds the average actual dairy production margin for the month.

(2) The amount determined under paragraph (1) shall be multiplied by—

(A) the coverage percentage selected by the participating dairy operation; and

(B) the production history of the participating dairy operation divided by 12.

(d) **DEADLINE FOR ELECTION; DURATION.**—*Not later than 90 days after the date of the enactment of this subsection, each participating dairy operation shall elect a coverage level threshold under subsection (a)(1) and a coverage percentage under subsection (a)(2) to be used to determine dairy risk management payments. This election shall remain in effect for the participating dairy operation for the duration of the dairy risk management program, as specified in section 1409.*

SEC. 1407. PREMIUMS FOR [MARGIN PROTECTION] DAIRY RISK MANAGEMENT PROGRAM.

(a) **CALCULATION OF PREMIUMS.**—For purposes of participating in the [margin protection program] *dairy risk management program*, a participating dairy operation shall pay an annual premium equal to the product obtained by multiplying—

(1) the coverage percentage elected by the participating dairy operation under section 1406(a)(2);

(2) the production history of the participating dairy operation; and

(3) the premium per hundredweight of milk imposed by this section for the coverage level selected.

(b) **TIER I: PREMIUM PER HUNDREDWEIGHT FOR FIRST 5,000,000 POUNDS OF PRODUCTION.**—

(1) **IN GENERAL.**—For the first 5,000,000 pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) **PRODUCER PREMIUMS.**—Except as provided in paragraph (3), the following annual premiums apply:

[Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	None
\$5.00	None
\$5.50	\$0.009
\$6.00	\$0.016
\$6.50	\$0.040
\$7.00	\$0.063

【Coverage Level	Premium per Cwt.
\$7.50	\$0.087
\$8.00	\$0.142】

(2) *PRODUCER PREMIUMS.—The following annual premiums apply:*

<i>Coverage Level</i>	<i>Premium per Cwt.</i>
\$4.00	None
\$4.50	\$0.002
\$5.00	\$0.005
\$5.50	\$0.008
\$6.00	\$0.010
\$6.50	\$0.017
\$7.00	\$0.041
\$7.50	\$0.057
\$8.00	\$0.090
\$8.50	\$0.120
\$9.00	\$0.170

【(3) SPECIAL RULE.—The premium per hundredweight specified in the table contained in paragraph (2) for each coverage level (except the \$8.00 coverage level) shall be reduced by 25 percent for each of calendar years 2014 and 2015.】

(c) TIER II: PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 5,000,000 POUNDS.—

(1) IN GENERAL.—For milk marketings in excess of 5,000,000 pounds included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) PRODUCER PREMIUMS.—The following annual premiums apply:

Coverage Level	Premium per Cwt.
\$4.00	None
\$4.50	\$0.020
\$5.00	\$0.040
\$5.50	\$0.100
\$6.00	\$0.155
\$6.50	\$0.290
\$7.00	\$0.830
\$7.50	\$1.060
\$8.00	\$1.360

(d) 【TIME FOR】 *METHOD OF PAYMENT OF PREMIUM.*—The Secretary shall provide more than 1 method by which a participating dairy operation may pay the premium required under this section in any manner that maximizes participating dairy operation payment flexibility and program integrity.

(e) PREMIUM OBLIGATIONS.—

(1) PRO-RATION OF PREMIUM FOR NEW PARTICIPANTS.—In the case of a participating dairy operation that first registers to participate in the [margin protection] program for a calendar year after the start of the calendar year, the participating dairy operation shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the participating dairy operation purchases the coverage.

(2) LEGAL OBLIGATION.—A participating dairy operation in the [margin protection] program for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of the program.

SEC. 1408. EFFECT OF FAILURE TO PAY ADMINISTRATIVE FEES OR PREMIUMS.

(a) LOSS OF BENEFITS.—A participating dairy operation that fails to pay the required annual administrative fee under section 1404 or is in arrears on premium payments under section 1407—

(1) remains legally obligated to pay the administrative fee or premiums, as the case may be; and

(2) may not receive [margin protection] *dairy risk management* payments until the fees or premiums are fully paid.

(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administrative fees and premium payments for participation in the [margin protection] *dairy risk management* program.

SEC. 1409. DURATION.

The [margin protection] *dairy risk management* program shall end on December 31, [2018] 2023.

SEC. 1410. ADMINISTRATION AND ENFORCEMENT.

(a) IN GENERAL.—The Secretary shall promulgate regulations to address administrative and enforcement issues involved in carrying out the [margin protection] *dairy risk management* program.

(b) RECONSTITUTION.—The Secretary shall promulgate regulations to prohibit a dairy producer from reconstituting a dairy operation for the purpose of the dairy producer receiving [margin protection] *dairy risk management* payments.

(c) ADMINISTRATIVE APPEALS.—Using authorities under section 1001(h) of the Food Security Act of 1985 (7 U.S.C. 1308(h)) and subtitle H of the Department of Agriculture Reorganization Act (7 U.S.C. 6991 et seq.), the Secretary shall promulgate regulations to provide for administrative appeals of decisions of the Secretary that are adverse to participants of the [margin protection] *dairy risk management* program.

(d) INCLUSION OF ADDITIONAL ORDER.—Section 143(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7253(a)(2)) is amended by adding at the end the following new sentence: “Subsection (b) does not apply to the authority of the Secretary under this subsection.”

* * * * *

PART III—DAIRY PRODUCT DONATION PROGRAM

[(SEC. 1431. DAIRY PRODUCT DONATION PROGRAM.

[(a) PROGRAM REQUIRED; PURPOSE.—Not later than 120 days after the date on which the Secretary certifies to Congress that the margin protection program is operational, the Secretary shall establish and administer a dairy product donation program for the purposes of—

[(1) addressing low operating margins experienced by participating dairy operations; and

[(2) providing nutrition assistance to individuals in low-income groups.

[(b) PROGRAM TRIGGER.—The Secretary shall announce that the dairy product donation program is in effect for a month, and undertake activities under subsection (c) during the month, whenever the actual dairy production margin has been \$4.00 or less per hundredweight of milk for each of the immediately preceding 2 months.

[(c) REQUIRED PROGRAM ACTIVITIES.—

[(1) IN GENERAL.—Whenever the dairy product donation program is in effect under subsection (b), the Secretary shall immediately purchase dairy products, at prevailing market prices, until such time as one of the termination conditions specified in subsection (d)(1) is met.

[(2) CONSULTATION.—To determine the types and quantities of dairy products to purchase under the dairy product donation program, the Secretary shall consult with public and private nonprofit organizations organized to feed low-income populations

[(d) TERMINATION OF PROGRAM ACTIVITIES.—

[(1) TERMINATION THRESHOLDS.—The Secretary shall cease activities under the dairy product donation program, and shall not reinstate activities under the program until the condition specified in subsection (b) is again met, whenever any one of the following occurs:

[(A) The Secretary has made purchases under the dairy product donation program for three consecutive months, even if the actual dairy production margin remains \$4.00 or less per hundredweight of milk.

[(B) The actual dairy production margin has been greater than \$4.00 per hundredweight of milk for the immediately preceding month.

[(C) The actual dairy production margin has been \$4.00 or less, but more than \$3.00, per hundredweight of milk for the immediately preceding month and during the same month—

[(i) the price in the United States for cheddar cheese was more than 5 percent above the world price; or

[(ii) the price in the United States for non-fat dry milk was more than 5 percent above the world price of skim milk powder.

[(D) The actual dairy production margin has been \$3.00 or less per hundredweight of milk for the immediately preceding month and during the same month—

[(i) the price in the United States for cheddar cheese was more than 7 percent above the world price; or

[(ii) the price in the United States for non-fat dry milk was more than 7 percent above the world price of skim milk powder.

[(2) DETERMINATIONS.—For purposes of this subsection, the Secretary shall determine the price in the United States for cheddar cheese and non-fat dry milk and the world price of cheddar cheese and skim milk powder.

[(e) DISTRIBUTION OF PURCHASED DAIRY PRODUCTS.—

[(1) IN GENERAL.—The Secretary of Agriculture shall distribute, but not store, the dairy products purchased under the dairy product donation program in a manner that encourages the domestic consumption of such dairy products by diverting them to persons in low-income groups, as determined by the Secretary.

[(2) USE OF PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.—The Secretary shall utilize the services of public and private nonprofit organizations for the distribution of dairy products purchased under the dairy product donation program. A public or private nonprofit organization that receives dairy products may transfer the products to another public or private nonprofit organization that agrees to use the dairy products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.

[(f) PROHIBITION ON RE SALE OF PRODUCTS.—A public or private nonprofit organization that receives dairy products under subsection (e) may not sell the products back into commercial markets.

[(g) USE OF COMMODITY CREDIT CORPORATION FUNDS.—As specified in section 1601(a), the funds, facilities, and authorities of the Commodity Credit Corporation shall be available to the Secretary for the purposes of implementing and administering the dairy product donation program.

[(h) DURATION.—In addition to the termination conditions specified in subsection (d)(1), the dairy product donation program shall end on December 31, 2018.]

* * * * *

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCER ON A FARM.—

(A) IN GENERAL.—The term “eligible producer on a farm” means an individual or entity described in subparagraph (B) that, as determined by the Secretary, assumes the production and market risks associated with the agricultural production of crops or livestock.

(B) DESCRIPTION.—An individual or entity referred to in subparagraph (A) is—

(i) a citizen of the United States;

- (ii) a resident alien;
 - (iii) a partnership of citizens of the United States; or
 - (iv) a corporation, limited liability corporation, or other farm organizational structure organized under State law.
- (2) FARM-RAISED FISH.—The term “farm-raised fish” means any aquatic species that is propagated and reared in a controlled environment.
- (3) LIVESTOCK.—The term “livestock” includes—
- (A) cattle (including dairy cattle);
 - (B) bison;
 - (C) poultry;
 - (D) sheep;
 - (E) swine;
 - (F) horses; and
 - (G) other livestock, as determined by the Secretary.
- (4) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.
- (b) LIVESTOCK INDEMNITY PAYMENTS.—
- (1) PAYMENTS.—For fiscal year 2012 and each succeeding fiscal year, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to make livestock indemnity payments to eligible producers on farms that have incurred livestock death losses in excess of the normal mortality, sold livestock for a reduced sale price, or both as determined by the Secretary, due to—
- (A) attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators; **[or]**
 - (B) adverse weather, as determined by the Secretary, during the calendar year, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold**[.];** or
 - (C) *disease that, as determined by the Secretary—*
 - (i) *is caused or transmitted by a vector; and*
 - (ii) *is not susceptible to control by vaccination or acceptable management practices.*
- (2) PAYMENT RATES.—Indemnity payments to an eligible producer on a farm under paragraph (1) shall be made at a rate of 75 percent of the market value of the affected livestock, as determined by the Secretary, on, as applicable—
- (A) the day before the date of death of the livestock; or
 - (B) the day before the date of the event that caused the harm to the livestock that resulted in a reduced sale price.
- (3) SPECIAL RULE FOR PAYMENTS MADE DUE TO DISEASE.—The Secretary shall ensure that payments made to an eligible producer under paragraph (1) are not made for the same livestock losses for which compensation is provided pursuant to section 10407(d) of the Animal Health Protection Act (7 U.S.C. 8306(d)).
- (4) **[A payment]** PAYMENT REDUCTIONS.—*A payment made under paragraph (1) to an eligible producer on a farm that sold livestock for a reduced sale price shall—*
- (A) be made if the sale occurs within a reasonable period following the event, as determined by the Secretary; and

(B) be reduced by the amount that the producer received for the sale.

(c) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) COVERED LIVESTOCK.—

(i) IN GENERAL.—Except as provided in clause (ii), the term “covered livestock” means livestock of an eligible livestock producer that, during the 60 days prior to the beginning date of a qualifying drought or fire condition, as determined by the Secretary, the eligible livestock producer—

- (I) owned;
- (II) leased;
- (III) purchased;
- (IV) entered into a contract to purchase;
- (V) is a contract grower; or
- (VI) sold or otherwise disposed of due to qualifying drought conditions during—
 - (aa) the current production year; or
 - (bb) subject to paragraph (3)(B)(ii), 1 or both of the 2 production years immediately preceding the current production year.

(ii) EXCLUSION.—The term “covered livestock” does not include livestock that were or would have been in a feedlot, on the beginning date of the qualifying drought or fire condition, as a part of the normal business operation of the eligible livestock producer, as determined by the Secretary.

(B) DROUGHT MONITOR.—The term “drought monitor” means a system for classifying drought severity according to a range of abnormally dry to exceptional drought, as defined by the Secretary.

(C) ELIGIBLE LIVESTOCK PRODUCER.—

(i) IN GENERAL.—The term “eligible livestock producer” means an eligible producer on a farm that—

- (I) is an owner, cash or share lessee, or contract grower of covered livestock that provides the pastureland or grazing land, including cash-leased pastureland or grazing land, for the livestock;
- (II) provides the pastureland or grazing land for covered livestock, including cash-leased pastureland or grazing land that is physically located in a county affected by drought;
- (III) certifies grazing loss; and
- (IV) meets all other eligibility requirements established under this subsection.

(ii) EXCLUSION.—The term “eligible livestock producer” does not include an owner, cash or share lessee, or contract grower of livestock that rents or leases pastureland or grazing land owned by another person on a rate-of-gain basis.

(D) NORMAL CARRYING CAPACITY.—The term “normal carrying capacity”, with respect to each type of grazing land or pastureland in a county, means the normal carrying capacity, as determined under paragraph (3)(D)(i),

that would be expected from the grazing land or pastureland for livestock during the normal grazing period, in the absence of a drought or fire that diminishes the production of the grazing land or pastureland.

(E) NORMAL GRAZING PERIOD.—The term “normal grazing period”, with respect to a county, means the normal grazing period during the calendar year for the county, as determined under paragraph (3)(D)(i).

(2) PROGRAM.—For fiscal year 2012 and each succeeding fiscal year, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide compensation for losses to eligible livestock producers due to grazing losses for covered livestock due to—

- (A) a drought condition, as described in paragraph (3); or
- (B) fire, as described in paragraph (4).

(3) ASSISTANCE FOR LOSSES DUE TO DROUGHT CONDITIONS.—

(A) ELIGIBLE LOSSES.—

(i) IN GENERAL.—An eligible livestock producer may receive assistance under this subsection only for grazing losses for covered livestock that occur on land that—

(I) is native or improved pastureland with permanent vegetative cover; or

(II) is planted to a crop planted specifically for the purpose of providing grazing for covered livestock.

(ii) EXCLUSIONS.—An eligible livestock producer may not receive assistance under this subsection for grazing losses that occur on land used for haying or grazing under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

(B) MONTHLY PAYMENT RATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the payment rate for assistance under this paragraph for 1 month shall, in the case of drought, be equal to 60 percent of the lesser of—

(I) the monthly feed cost for all covered livestock owned or leased by the eligible livestock producer, as determined under subparagraph (C); or

(II) the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.

(ii) PARTIAL COMPENSATION.—In the case of an eligible livestock producer that sold or otherwise disposed of covered livestock due to drought conditions in 1 or both of the 2 production years immediately preceding the current production year, as determined by the Secretary, the payment rate shall be 80 percent of the payment rate otherwise calculated in accordance with clause (i).

(C) MONTHLY FEED COST.—

(i) IN GENERAL.—The monthly feed cost shall equal the product obtained by multiplying—

(I) 30 days;

(II) a payment quantity that is equal to the feed grain equivalent, as determined under clause (ii); and

(III) a payment rate that is equal to the corn price per pound, as determined under clause (iii).

(ii) FEED GRAIN EQUIVALENT.—For purposes of clause (i)(II), the feed grain equivalent shall equal—

(I) in the case of an adult beef cow, 15.7 pounds of corn per day; or

(II) in the case of any other type of weight of livestock, an amount determined by the Secretary that represents the average number of pounds of corn per day necessary to feed the livestock.

(iii) CORN PRICE PER POUND.—For purposes of clause (i)(III), the corn price per pound shall equal the quotient obtained by dividing—

(I) the higher of—

(aa) the national average corn price per bushel for the 12-month period immediately preceding March 1 of the year for which the disaster assistance is calculated; or

(bb) the national average corn price per bushel for the 24-month period immediately preceding that March 1; by

(II) 56.

(D) NORMAL GRAZING PERIOD AND DROUGHT MONITOR INTENSITY.—

(i) FSA COUNTY COMMITTEE DETERMINATIONS.—

(I) IN GENERAL.—The Secretary shall determine the normal carrying capacity and normal grazing period for each type of grazing land or pastureland in the county served by the applicable committee.

(II) CHANGES.—No change to the normal carrying capacity or normal grazing period established for a county under subclause (I) shall be made unless the change is requested by the appropriate State and county Farm Service Agency committees.

(ii) DROUGHT INTENSITY.—

(I) D2.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity in any area of the county for at least 8 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B).

(II) D3.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the

U.S. Drought Monitor as having at least a D3 (extreme drought) intensity in any area of the county at any time during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph—

(aa) in an amount equal to 3 monthly payments using the monthly payment rate determined under subparagraph (B);

(bb) if the county is rated as having a D3 (extreme drought) intensity in any area of the county for at least 4 weeks during the normal grazing period for the county, or is rated as having a D4 (exceptional drought) intensity in any area of the county at any time during the normal grazing period, in an amount equal to 4 monthly payments using the monthly payment rate determined under subparagraph (B); or

(cc) if the county is rated as having a D4 (exceptional drought) intensity in any area of the county for at least 4 weeks during the normal grazing period, in an amount equal to 5 monthly payments using the monthly rate determined under subparagraph (B).

(4) ASSISTANCE FOR LOSSES DUE TO FIRE ON PUBLIC MANAGED LAND.—

(A) IN GENERAL.—An eligible livestock producer may receive assistance under this paragraph only if—

(i) the grazing losses occur on rangeland that is managed by a Federal agency; and

(ii) the eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock on the managed rangeland due to a fire.

(B) PAYMENT RATE.—The payment rate for assistance under this paragraph shall be equal to 50 percent of the monthly feed cost for the total number of livestock covered by the Federal lease of the eligible livestock producer, as determined under paragraph (3)(C).

(C) PAYMENT DURATION.—

(i) IN GENERAL.—Subject to clause (ii), an eligible livestock producer shall be eligible to receive assistance under this paragraph for the period—

(I) beginning on the date on which the Federal agency excludes the eligible livestock producer from using the managed rangeland for grazing; and

(II) ending on the last day of the Federal lease of the eligible livestock producer.

(ii) LIMITATION.—An eligible livestock producer may only receive assistance under this paragraph for losses that occur on not more than 180 days per year.

(5) NO DUPLICATIVE PAYMENTS.—An eligible livestock producer may elect to receive assistance for grazing or pasture feed losses due to drought conditions under paragraph (3) or

fire under paragraph (4), but not both for the same loss, as determined by the Secretary.

(d) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—

(1) IN GENERAL.—For fiscal year 2012 and each succeeding fiscal year, the Secretary shall use the funds of the Commodity Credit Corporation to provide emergency relief to eligible producers of livestock, honey bees, and farm-raised fish to aid in the reduction of losses due to disease (including cattle tick fever), adverse weather, or other conditions, such as blizzards and wildfires, as determined by the Secretary, that are not covered under subsection (b) or (c).

(2) USE OF FUNDS.—Funds made available under this subsection shall be used to reduce losses caused by feed or water shortages, disease, or other factors as determined by the Secretary.

(3) AVAILABILITY OF FUNDS.—Any funds made available under this subsection shall remain available until expended.

(e) TREE ASSISTANCE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE ORCHARDIST.—The term “eligible orchardist” means a person that produces annual crops from trees for commercial purposes.

(B) NATURAL DISASTER.—The term “natural disaster” means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.

(C) NURSERY TREE GROWER.—The term “nursery tree grower” means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.

(D) TREE.—The term “tree” includes a tree, bush, and vine.

(2) ELIGIBILITY.—

(A) LOSS.—Subject to subparagraph (B), for fiscal year 2012 and each succeeding fiscal year, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide assistance—

(i) under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary; and

(ii) under paragraph (3)(B) to eligible orchardists and nursery tree growers that have a production history for commercial purposes on planted or existing trees but lost the trees as a result of a natural disaster, as determined by the Secretary.

(B) LIMITATION.—An eligible orchardist or nursery tree grower shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

(3) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery

tree growers for losses described in paragraph (2) shall consist of—

(A)(i) reimbursement of 65 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and

(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).

(4) LIMITATIONS ON ASSISTANCE.—

(A) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this paragraph, the terms “legal entity” and “person” have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(B) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection may not exceed 1,000 acres.

(f) PAYMENT LIMITATIONS.—

(1) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this subsection, the terms “legal entity” and “person” have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(2) AMOUNT.—The total amount of disaster assistance payments received, directly or indirectly, by a person or legal entity (excluding a [joint venture or general partnership] *qualified pass through entity (as such term is defined in paragraph (5) of section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)))*) under [this section (excluding payments received under subsections (b) and (e))] *subsection (c)* may not exceed \$125,000 for any crop year.

(3) DIRECT ATTRIBUTION.—Subsections (e) and (f) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) or any successor provisions relating to direct attribution shall apply with respect to assistance provided under this section.

(4) *EXCLUSION OF GROSS INCOME LIMITATION.—For purposes of this section only, subsection (b) of section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) shall not apply to a person or legal entity if 75 percent or greater of the average adjusted gross income (as such term is defined in subsection (a) of such section) of such person or legal entity derives from farming, ranching, or silviculture activities.*

Subtitle F—Administration

* * * * *

SEC. 1614. IMPLEMENTATION.

(a) **MAINTENANCE OF BASE ACRES AND PAYMENT YIELDS.**—The Secretary shall maintain, for each covered commodity and upland cotton, base acres and payment yields on a farm established under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1102, 1108, and 1302 of such Act (7 U.S.C. 8711, 8712, 8718, 8752), as in effect on September 30, 2013.

(b) **STREAMLINING.**—In implementing this title, the Secretary shall—

(1) reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements, including through the implementation of the Acreage Crop Reporting and Streamlining Initiative that, in part, shall ensure that—

(A) a producer (or an agent of a producer) may report information, electronically (including geospatial data) or conventionally, to the Department; and

(B) upon the request of the producer (or agent thereof) the Department of Agriculture electronically shares with the producer (or agent) in real time and without cost to the producer (or agent) the common land unit data, related farm level data, and other information of the producer;

(2) improve coordination, information sharing, and administrative work with the Farm Service Agency, Risk Management Agency, and the Natural Resources Conservation Service; and

(3) take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers.

(c) **IMPLEMENTATION.**—

(1) **IN GENERAL.**—The Secretary shall make available to the Farm Service Agency to carry out this title \$100,000,000.

(2) **ADDITIONAL FUNDS.**—

(A) **INITIAL DETERMINATION.**—If, by September 30, 2014, the Secretary notifies the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that the Farm Service Agency has made substantial progress toward implementing the requirements of subsection (b)(1), the Secretary shall make available to the Farm Service Agency to carry out this title \$10,000,000 on October 1, 2014. The amount made available under this subparagraph is in addition to the amount made available under paragraph (1).

(B) **SUBSEQUENT DETERMINATION.**—If, by September 30, 2015, the Secretary notifies the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that the requirements of subsection (b)(1) have been fully implemented and those Committees provide written concurrence to the Secretary, the Secretary shall make available to the Farm Service Agency to carry out this title \$10,000,000 on the date the written concurrence is provided or October 1, 2015, whichever is later. The amount made available under this subparagraph is in addition to the amount

made available under paragraph (1) and any amount made available under subparagraph (A).

(3) PRODUCER EDUCATION.—

(A) IN GENERAL.—Of the funds made available under paragraph (1), the Secretary shall provide \$3,000,000 to State extension services for the purpose of educating farmers and ranchers on the options made available under subtitles A, D, and E of this title and under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(B) WEB-BASED DECISION AIDS.—

(i) USE OF QUALIFIED UNIVERSITIES.—Of the funds made available under paragraph (1), the Secretary shall use \$3,000,000 to support qualified universities (or university-based organizations) that represent a diversity of regions and commodities (including dairy), possess expertise regarding the programs authorized by this Act, have a history in the development of decision aids and producer outreach initiatives regarding farm risk management programs, and are able to meet the deadline established pursuant to clause (ii) to develop web-based decision aids to assist producers in understanding available options described in subparagraph (A) and to train producers to use these decision aids.

(ii) DEADLINES.—To the maximum extent practicable, the Secretary shall—

(I) obligate the funds made available under clause (i) within 30 days after the date of the enactment of this Act; and

(II) require the products described in clause (i) to be made available to producers on the internet within a reasonable period of time, as determined by the Secretary, after the implementation of the first rule implementing programs required under subtitle A of this title.

(d) LOAN IMPLEMENTATION.—

(1) IN GENERAL.—In any crop year in which an order is issued pursuant 2 U.S.C. 901(a), the Secretary shall use such sums as necessary of the funds of the Commodity Credit Corporation for such crop year to fully restore the support, loan, or assistance that is otherwise required under subtitles B or C of this title *or subtitles B and C of the Agriculture and Nutrition Act of 2018* or under the amendments **【made by subtitles B or C】** *made by such subtitles*, except with respect to the assistance provided under sections 1207(c) and 1208 *of this title, and sections 1207(c) and 1208 of the Agriculture and Nutrition Act of 2018*.

(2) REPAYMENT.—In carrying out this subsection, the Secretary shall ensure that when a producer repays a loan at a rate equal to the loan rate plus interest in accordance with the repayment provisions **【of subtitles B or C】** *of subtitle B or C of this title, or subtitle B or C of the Agriculture and Nutrition Act of 2018* that the repayment amount shall include the portion of the loan amount provided under paragraph (1), except

that this paragraph shall not affect or reduce marketing loan gains, loan deficiency payments, or forfeiture benefits provided for [under subtitles B or C] of subtitle B or C of this title, or subtitle B or C of the Agriculture and Nutrition Act of 2018 and as supplemented in accordance with paragraph (1).

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TITLE VIII—FORESTRY

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Subtitle C—Reauthorization of Other Forestry-Related Laws

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SEC. 8206. GOOD NEIGHBOR AUTHORITY.

(a) DEFINITIONS.—In this section:

(1) AUTHORIZED RESTORATION SERVICES.—The term “authorized restoration services” means similar and complementary forest, rangeland, and watershed restoration services carried out—

(A) on Federal land and non-Federal land; and

(B) by either the [Secretary or a Governor] *Secretary, Governor, or Indian Tribe* pursuant to a good neighbor agreement.

(2) FEDERAL LAND.—

(A) IN GENERAL.—The term “Federal land” means land that is—

(i) National Forest System land; or

(ii) public land (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)).

(B) EXCLUSIONS.—The term “Federal land” does not include—

(i) a component of the National Wilderness Preservation System;

(ii) Federal land on which the removal of vegetation is prohibited or restricted by Act of Congress or Presidential proclamation (including the applicable implementation plan); or

(iii) a wilderness study area.

(3) FOREST, RANGELAND, AND WATERSHED RESTORATION SERVICES.—

(A) IN GENERAL.—The term “forest, rangeland, and watershed restoration services” means—

(i) activities to treat insect- and disease-infected trees;

(ii) activities to reduce hazardous fuels; and

(iii) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.

(B) EXCLUSIONS.—The term “forest, rangeland, and watershed restoration services” does not include—

(i) construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas, other than the reconstruction, repair, or restoration of a National Forest System road that is—

(I) necessary to carry out authorized restoration services pursuant to a good neighbor agreement; and

(II) in the case of a National Forest System road that is determined to be unneeded in accordance with section 212.5(b)(2) of title 36, Code of Federal Regulations (as in effect on the date of enactment of the **【Good Neighbor Authority Improvement Act】** *Wildfire Suppression Funding and Forest Management Activities Act*), decommissioned in accordance with subparagraph (A)(iii)—

(aa) in a manner that is consistent with the applicable travel management plan; and

(bb) not later than 3 years after the date on which the applicable authorized restoration services project is completed; or

(ii) construction, alteration, repair or replacement of public buildings or works.

(4) **GOOD NEIGHBOR AGREEMENT.**—The term “good neighbor agreement” means a cooperative agreement or contract (including a sole source contract) entered into between the **【Secretary and a Governor】** *Secretary and either a Governor or an Indian Tribe* to carry out authorized restoration services under this section.

(5) **GOVERNOR.**—The term “Governor” means the Governor or any other appropriate executive official of an affected State or the Commonwealth of Puerto Rico.

(6) **INDIAN TRIBE.**—*The term “Indian Tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304);*

【(6)】 (7) **NATIONAL FOREST SYSTEM ROAD.**—The term “National Forest System road” has the meaning given the term in section 212.1 of title 36, Code of Federal Regulations (as in effect on the date of enactment of the **【Good Neighbor Authority Improvement Act】** *Wildfire Suppression Funding and Forest Management Activities Act*).

【(7)】 (8) **ROAD.**—The term “road” has the meaning given the term in section 212.1 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this Act).

【(8)】 (9) **SECRETARY.**—The term “Secretary” means—

(A) the Secretary of Agriculture, with respect to National Forest System land; and

(B) the Secretary of the Interior, with respect to Bureau of Land Management land.

(b) **GOOD NEIGHBOR AGREEMENTS.**—

(1) **GOOD NEIGHBOR AGREEMENTS.**—

(A) **IN GENERAL.**—The Secretary may enter into a good neighbor agreement with a Governor *or an Indian Tribe* to carry out authorized restoration services in accordance with this section.

(B) PUBLIC AVAILABILITY.—The Secretary shall make each good neighbor agreement available to the public.

(2) TIMBER SALES.—

(A) IN GENERAL.—Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a(d) and (g)) shall not apply to services performed under a cooperative agreement or contract entered into under subsection (a).

(B) APPROVAL OF SILVICULTURE PRESCRIPTIONS AND MARKING GUIDES.—The Secretary shall provide or approve all silviculture prescriptions and marking guides to be applied on Federal land in all timber sale projects conducted under this section.

(3) RETENTION OF NEPA RESPONSIBILITIES.—Any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any authorized restoration services to be provided under this section on Federal land shall not be delegated to a Governor or an Indian Tribe.

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TITLE XII—MISCELLANEOUS

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Subtitle C—Other Miscellaneous Provisions

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§ 12314. PIMA AGRICULTURE COTTON TRUST FUND.

[(a) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the “Pima Agriculture Cotton Trust Fund” (in this section referred to as the “Trust Fund”), consisting of such amounts as may be transferred to the Trust Fund pursuant to subsection (h), and to be used for the purpose of reducing the injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

[(b) DISTRIBUTION OF FUNDS.—From amounts in the Trust Fund, the Secretary shall make payments annually beginning in calendar year 2014 for calendar years 2014 through 2018 as follows:

[(1) Twenty-five percent of the amounts in the Trust Fund shall be paid to one or more nationally recognized associations established for the promotion of pima cotton for use in textile and apparel goods.

[(2) Twenty-five percent of the amounts in the Trust Fund shall be paid to yarn spinners of pima cotton that produce ring spun cotton yarns in the United States, to be allocated to each spinner in an amount that bears the same ratio as—

[(A) the spinner’s production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number) from pima cotton in single and plied form during calendar year 2013 (as evidenced by an affidavit provided

by the spinner that meets the requirements of subsection (c)), bears to—

[(B) the production of the yarns described in subparagraph (A) during calendar year 2013 for all spinners who qualify under this paragraph.

[(3) Fifty percent of the amounts in the Trust Fund shall be paid to manufacturers who cut and sew cotton shirts in the United States who certify that they used imported cotton fabric during calendar year 2013, to be allocated to each such manufacturer in an amount that bears the same ratio as—

[(A) the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2013 (as evidenced by an affidavit provided by the manufacturer that meets the requirements of subsection (d)) used in the manufacturing of men's and boys' cotton shirts, bears to—

[(B) the dollar value (excluding duty, shipping, and related costs) of the fabric described in subparagraph (A) purchased during calendar year 2013 by all manufacturers who qualify under this paragraph.

[(c) AFFIDAVIT OF YARN SPINNERS.—The affidavit required by subsection (b)(2)(A) is a notarized affidavit provided annually by an officer of a producer of ring spun yarns that affirms—

[(1) that the producer used pima cotton during the year in which the affidavit is filed and during calendar year 2013 to produce ring spun cotton yarns in the United States, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form;

[(2) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2013; and

[(3) that the producer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during calendar year 2013.

[(d) AFFIDAVIT OF SHIRTING MANUFACTURERS.—

[(1) IN GENERAL.—The affidavit required by subsection (b)(3)(A) is a notarized affidavit provided annually by an officer of a manufacturer of men's and boys' shirts that affirms—

[(A) that the manufacturer used imported cotton fabric during the year in which the affidavit is filed and during calendar year 2013, to cut and sew men's and boys' woven cotton shirts in the United States;

[(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during calendar year 2013;

[(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

- [(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.
- [(2) DATE OF PURCHASE.—For purposes of the affidavit under paragraph (1), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.
- [(e) FILING DEADLINE FOR AFFIDAVITS.—Any person required to provide an affidavit under this section shall file the affidavit with the Secretary or as directed by the Secretary—
- [(1) in the case of an affidavit required for calendar year 2014, not later than 60 days after the date of the enactment of this Act; and
- [(2) in the case of an affidavit required for any of calendar years 2015 through 2018, not later than March 15 of that calendar year.
- [(f) TIMING OF DISTRIBUTIONS.—The Secretary shall make a payment under paragraph (2) or (3) of subsection (b)—
- [(1) for calendar year 2014—
- [(A) not later than the date that is 30 days after the filing of the affidavit required with respect to that payment; or
- [(B) if the Secretary is unable to make the payment by the date described in subparagraph (A), as soon as practicable thereafter; and
- [(2) for calendar years 2015 through 2018, not later than the date that is 30 days after the filing of the affidavit required with respect to that payment.
- [(g) MEMORANDUM OF UNDERSTANDING.—The Secretary and the Commissioner responsible for U.S. Customs and Border Protection shall, as soon as practicable after the date of the enactment of this Act, negotiate a memorandum of understanding to establish procedures pursuant to which the Commissioner will assist the Secretary in carrying out the provisions of this section.
- [(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Trust Fund \$16,000,000 for each of calendar years 2014 through 2018, to remain available until expended.

[SEC. 12315. AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND.

[(a) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the “Agriculture Wool Apparel Manufacturers Trust Fund” (in this section referred to as the “Trust Fund”), consisting of such amounts as may be transferred to the Trust Fund pursuant to subsection (f), and to be used for the purpose of reducing the injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric.

[(b) DISTRIBUTION OF FUNDS.—

[(1) IN GENERAL.—From amounts in the Trust Fund, the Secretary may make payments annually beginning in calendar year 2014 for calendar years 2010 through 2019 as follows:

[(A) To each eligible manufacturer under paragraph (3) of section 4002(c) of the Wool Suit and Textile Trade Extension Act of 2004 (Public Law 108-429; 118 Stat. 2600), as amended by section 1633(c) of the Miscellaneous Trade

and Technical Corrections Act of 2006 (Public Law 109-280; 120 Stat. 1166) and section 325(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (division C of Public Law 110-343; 122 Stat. 3875), and any successor-in-interest to such a manufacturer as provided for under paragraph (4) of such section 4002(c), that submits an affidavit in accordance with paragraph (2) for the year of the payment—

[(i) for calendar years 2010 through 2015, payments that, when added to any other payments made to the manufacturer or successor-in-interest under paragraph (3) of such section 4002(c) in such calendar years, equal the total amount of payments authorized to be provided to the manufacturer or successor-in-interest under that paragraph, or the provisions of this section, in such calendar years; and

[(ii) for calendar years 2016 through 2019, payments in amounts authorized under that paragraph.

[(B) To each eligible manufacturer under paragraph (6) of such section 4002(c)—

[(i) for calendar years 2010 through 2014, payments that, when added to any other payments made to eligible manufacturers under that paragraph in such calendar years, equal the total amount of payments authorized to be provided to the manufacturer under that paragraph, or the provisions of this section, in such calendar years; and

[(ii) for calendar years 2015 through 2019, payments in amounts authorized under that paragraph.

[(2) SUBMISSION OF AFFIDAVITS.—An affidavit required by paragraph (1)(A) shall be submitted—

[(A) in each of calendar years 2010 through 2015, to the Commissioner responsible for U.S. Customs and Border Protection not later than April 15; and

[(B) in each of calendar years 2016 through 2019, to the Secretary, or as directed by the Secretary, and not later than March 1.

[(c) PAYMENT OF AMOUNTS.—The Secretary shall make payments to eligible manufacturers and successors-in-interest described in paragraphs (1) and (2) of subsection (b)—

[(1) for calendar years 2010 through 2014, not later than 30 days after the transfer of amounts from the Commodity Credit Corporation to the Trust Fund under subsection (f); and

[(2) for calendar years 2015 through 2019, not later than April 15 of the year of the payment.

[(d) MEMORANDA OF UNDERSTANDING.—The Secretary shall, as soon as practicable after the date of the enactment of this Act, negotiate memoranda of understanding with the Commissioner responsible for U.S. Customs and Border Protection and the Secretary of Commerce to establish procedures pursuant to which the Commissioner and the Secretary of Commerce will assist in carrying out the provisions of this section.

[(e) INCREASE IN PAYMENTS IN THE EVENT OF EXPIRATION OF DUTY SUSPENSIONS.—

[(1) IN GENERAL.—In any calendar year in which the suspension of duty on wool fabrics provided for under headings 9902.51.11, 9902.51.13, 9902.51.14, 9902.51.15, and 9902.51.16 of the Harmonized Tariff Schedule of the United States are not in effect, the amount of any payment described in subsection (b)(1) to a manufacturer or successor-in-interest shall be increased by an amount the Secretary, after consultation with the Secretary of Commerce, determines is equal to the amount the manufacturer or successor-in-interest would have saved during the calendar year of the payment if the suspension of duty on wool fabrics were in effect.

[(2) NO APPEAL OF DETERMINATIONS.—A determination of the Secretary under this subsection shall be final and not subject to appeal or protest.

[(f) FUNDING.—

[(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Trust Fund for each of calendar years 2014 through 2019 an amount equal to the lesser of—

[(A) the amount the Secretary determines to be necessary to make payments required by this section in that calendar year; or

[(B) \$30,000,000.

[(2) AVAILABILITY.—Amounts transferred to the Trust Fund under paragraph (1) shall remain available until expended.

[SEC. 12316. WOOL RESEARCH AND PROMOTION.

[(a) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to provide grants described in section 506(d) of the Trade and Development Act of 2000 (7 U.S.C. 7101 note) \$2,250,000 for each of calendar years 2015 through 2019, to remain available until expended.

[(b) AUTHORIZATION TO DISTRIBUTE UNEXPENDED BALANCE.—In addition to funds made available under subsection (a) and notwithstanding subsection (f) of section 506 of the Trade and Development Act of 2000 (7 U.S.C. 7101 note), the Secretary may use any unexpended balances remaining in the Wool Research, Development, and Promotion Trust Fund established under that section as of December 31, 2014, to provide grants described in subsection (d) of that section.]

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AGRICULTURAL ADJUSTMENT ACT

TITLE I—AGRICULTURAL ADJUSTMENT

* * * * *

PART 2—COMMODITY BENEFITS

* * * * *

ORDERS

SEC. 8c. (1) The Secretary of Agriculture shall, subject to the provisions of this section, issue, and from time to time amend, orders

applicable to processors, associations of producers, and others engaged in the handling of any agricultural commodity or product thereof specified in subsection (2) of this section. Such persons are referred to in this title as "handlers". Such orders shall regulate, in the manner hereinafter in this section provided, only such handling of such agricultural commodity, or product thereof, as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects, interstate or foreign commerce in such commodity or product thereof. In carrying out this section, the Secretary shall complete all informal rulemaking actions necessary to respond to recommendations submitted by administrative committees for such orders as expeditiously as possible, but not more than 45 days (to the extent practicable) after submission of the committee recommendations. The Secretary is authorized to implement a producer allotment program and a handler withholding program under the cranberry marketing order in the same crop year through informal rulemaking based on a recommendation and supporting economic analysis submitted by the Cranberry Marketing Committee. Such recommendation and analysis shall be submitted by the Committee no later than March 1 of each year. The Secretary shall establish time frames for each office and agency within the Department of Agriculture to consider the committee recommendations.

COMMODITIES TO WHICH APPLICABLE

(2) Orders issued pursuant to this section shall be applicable only to (A) the following agricultural commodities and the products thereof (except canned or frozen pears, grapefruit, cherries, apples, or cranberries, the products of naval stores, and the products of honeybees), or to any regional, or market classification of any such commodity or product: Milk, fruits (including filberts, almonds, pecans and walnuts but not including apples, other than apples produced in the States of Washington, Oregon, Idaho, New York, Michigan, Maryland, New Jersey, Indiana, California, Maine, Vermont, New Hampshire, Rhode Island, Massachusetts, Connecticut, Colorado, Utah, New Mexico, Illinois, and Ohio, and not including fruits for canning or freezing other than pears, olives, grapefruit, cherries, caneberries (including raspberries, blackberries, and loganberries), cranberries, and apples produced in the States named above except Washington, Oregon, and Idaho), tobacco, vegetables (not including vegetables, other than asparagus, for canning or freezing and not including potatoes for canning, freezing, or other processing), hops, honeybees and naval stores as included in the Naval Stores Act and standards established thereunder (including refined or partially refined oleoresin): *Provided*, That no order issued pursuant to this section shall be effective as to any grapefruit for canning or freezing unless the Secretary of Agriculture determines, in addition to other findings and determinations required by this Act, that the issuance of such order is approved or favored by the processors who, during a representative period determined by the Secretary, have been engaged in canning or freezing such commodity for market and have canned or frozen for market more than 50 per centum of the total volume of such commodity canned or frozen for market during such representative period; and (B) any agricultural commodity (except honey, cotton,

rice, wheat, corn, grain sorghums, oats, barley, rye, sugarcane, sugarbeets, wool, mohair, livestock, soybeans, cottonseed, flaxseed, poultry (but not excepting turkeys and not excepting poultry which produce commercial eggs), fruits and vegetables for canning or freezing, including potatoes for canning, freezing, or other processing and apples), or any regional or market classification thereof, not subject to orders under (A) of this paragraph, but not the products (including canned or frozen commodities or products) thereof. No order issued pursuant to this section shall be effective as to cherries, apples, or cranberries for canning or freezing unless the Secretary of Agriculture determines, in addition to other required findings and determinations, that the issuance of such order is approved or favored by processors who, during a representative period determined by the Secretary, have engaged in canning or freezing such commodity for market and have frozen or canned more than 50 per centum of the total volume of the commodity to be regulated which was canned or frozen within the production area, or marketed within the marketing area, defined in such order, during such representative period. No order issued pursuant to this section shall be applicable to peanuts produced in more than one of the following production areas: the Virginia-Carolina production area, the Southeast production area, and the Southwest production area. If the Secretary determines that the declared policy of the title will be better achieved thereby (i) the commodities of the same general class and used wholly or in part for the same purposes may be combined and treated as a single commodity and (ii) the portion of an agricultural commodity devoted to or marketed for a particular use or combination of uses, may be treated as a separate agricultural commodity. All agricultural commodities and products covered hereby shall be deemed specified herein for the purposes of section 8c (6) and (7) of this title.

NOTICE AND HEARING

(3) Whenever the Secretary of Agriculture has reason to believe that the issuance of an order will tend to effectuate the declared policy of this title with respect to any commodity or product thereof specified in subsection (2) of this section, he shall give due notice of and an opportunity for a hearing upon a proposed order.

(4) After such notice and opportunity for hearing, the Secretary of Agriculture shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearing (in addition to such other findings as may be specifically required by this section) that the issuance of such order and all of the terms and conditions thereof will tend to effectuate the declared policy of this title with respect to such commodity.

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7) of this section no others:

(A) Classifying milk in accordance with the form in which or the purpose for which it is used, and fixing, or providing a method for fixing, minimum prices for each such use classification which all handlers shall pay, and the time when payments shall be made, for

milk purchased from producers or associations of producers. Such prices shall be uniform as to all handlers, subject only to adjustments for (1) volume, market, and production differentials customarily applied by the handlers subject to such order, (2) the grade or quality of the milk purchased, and (3) the locations at which delivery of such milk, or any use classification thereof, is made to such handlers. *Throughout the 2-year period beginning on the effective date of this sentence (and subsequent to such 2-year period unless modified by amendment to the order involved), for purposes of determining prices for milk of the highest use classification, the Class I skim milk price per hundredweight specified in section 1000.50(b) of title 7, Code of Federal Regulations (or successor regulation), shall be the sum of the adjusted Class I differential specified in section 1000.52 of such title 7, plus the adjustment to Class I prices specified in sections 1005.51(b), 1006.51(b), and 1007.51(b) of such title 7 (or successor regulation), plus the simple average of the advanced pricing factors computed in sections 1000.50(q)(1) and 1000.50(q)(2) of such title 7 (or successor regulation), plus \$0.74.* **【Throughout the 2-year period beginning on the effective date of this sentence (and subsequent to such 2-year period unless modified by amendment to the order involved), the minimum aggregate amount of the adjustments, under clauses (1) and (2) of the preceding sentence, to prices for milk of the highest use classification under orders that are in effect under this section on the date of the enactment of the Food Security Act of 1985 shall be as follows:】**

Marketing Area Subject to Order	Minimum Aggregate Dollar Amount of Such Adjustments Per Hundredweight of Milk Having 3.5 Percent Milkfat
New England	\$3.24
New York-New Jersey	3.14
Middle Atlantic	3.03
Georgia	3.08
Alabama-West Florida	3.08
Upper Florida	3.58
Tampa Bay	3.88
Southeastern Florida	4.18
Michigan Upper Peninsula	1.35
South Michigan	1.75
Eastern Ohio-Western Pennsylvania	1.95
Ohio Valley	2.04
Indiana	2.00
Chicago Regional	1.40
Central Illinois	1.61
Southern Illinois	1.92
Louisville-Lexington-Evansville	2.11
Upper Midwest	1.20
Eastern South Dakota	1.50
Black Hills, South Dakota	2.05
Iowa	1.55
Nebraska-Western Iowa	1.75
Greater Kansas City	1.92
Tennessee Valley	2.77
Nashville, Tennessee	2.52
Paducah, Kentucky	2.39
Memphis, Tennessee	2.77
Central Arkansas	2.77
Fort Smith, Arkansas	2.77
Southwest Plains	2.77
Texas Panhandle	2.49
Lubbock-Plainview, Texas	2.49
Texas	3.28

Greater Louisiana	3.28
New Orleans-Mississippi	3.85
Eastern Colorado	2.73
Western Colorado	2.00
Southwestern Idaho-Eastern Oregon	1.50
Great Basin	1.90
Lake Mead	1.60
Central Arizona	2.52
Rio Grande Valley	2.35
Puget Sound-Inland	1.85
Oregon-Washington	1.95

【Effective at the beginning of such two-year period, the minimum prices for milk of the highest use classification shall be adjusted for the locations at which delivery of such milk is made to such handlers.】

(B) Providing:

(i) for the payment to all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided*, That, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, (d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order; and (f) a further adjustment, equitably to apportion the total value of milk purchased by all handlers among producers on the basis of their marketings of milk, which may be adjusted to reflect the utilization of producer milk by all handlers in any use classification or classifications, during a representative period of one to three years, which will be automatically updated each year. In the event a producer holding a base allocated under this clause (f) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases, or future updating of bases, except that an order may provide that, if a producer reduces his marketings below his base allocation in any one or more use classifications designated in the order, the amount of any such

reduction shall be taken into account in determining future bases, or future updating of bases. Bases allocated to producers under this clause (f) may be transferable under an order on such terms and conditions, including those which will prevent bases taking on an unreasonable value, as are prescribed in the order by the Secretary of Agriculture. Provisions shall be made in the order for the allocation of bases under this clause (f)—

(i) for the alleviation of hardship and inequity among producers; and

(ii) for providing bases for dairy farmers not delivering milk as producers under the order upon becoming producers under the order who did not produce milk during any part of the representative period and these new producers shall within ninety days after the first regular delivery of milk at the price for the lowest use classification specified in such order be allocated a base which the Secretary determines proper after considering supply and demand conditions, the development of orderly and efficient marketing conditions and to the respective interests of producers under the order, all other dairy farmers and the consuming public. Producer bases so allocated shall for a period of not more than three years be reduced by not more than 20 per centum; and

(iii) dairy farmers not delivering milk as producers under the order upon becoming producers under the order by reason of a plant to which they are making deliveries becoming a pool plant under the order, by amendment or otherwise, shall be provided bases with respect to milk delivered under the order based on their past deliveries of milk on the same basis as other producers under the order; and

(iv) such order may include such additional provisions as the Secretary deems appropriate in regard to the reentry of producers who have previously discontinued their dairy farm enterprise or transferred bases authorized under this clause (f); and

(v) notwithstanding any other provision of this Act, dairy farmers not delivering milk as producers under the order, upon becoming producers under the order, shall within ninety days be provided with respect to milk delivered under the order, allocations based on their past deliveries of milk during the representative period from the production facilities from which they are delivering milk under the order on the same basis as producers under the order on the effective date of order provisions authorized under this clause (f): *Provided*, That bases shall be allocated only to a producer marketing milk from the production facilities from which he marketed milk during the representative period, except that in no event shall such allocation of base exceed the amount of milk actually delivered under such order.

The assignment of other source milk to various use classes shall be made without regard to whether an order contains provisions authorized under this clause (f). In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision shall be made for reducing the allocation of, or payment to be received by, any such producer under this clause (f) to compensate for any marketings of

milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers. Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under this clause (f) shall not be effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.

(C) In order to accomplish the purposes set forth in paragraphs (A) and (B) of this subsection (5), providing a method for making adjustments in payments, as among handlers (including producers who are also handlers), to the end that the total sums paid by each handler shall equal the value of the milk purchased by him at the prices fixed in accordance with paragraph (A) hereof.

(D) Providing that, in the case of all milk purchased by handlers from any producer who did not regularly sell milk during a period of 30 days next preceding the effective date of such order for consumption in the area covered thereby, payments to such producer, for the period beginning with the first regular delivery by such producer and continuing until the end of two full calendar months following the first day of the next succeeding calendar month, shall be made at the price for the lowest use classification specified in such order, subject to the adjustments specified in paragraph (B) of this subsection (5).

(E) Providing (i) except as to producers for whom such services are being rendered by a cooperative marketing association, qualified as provided in paragraph (F) of this subsection (5), for market information to producers and for the verification of weights, sampling, and testing the milk purchased from producers, and for making appropriate deductions therefor from payments to producers, and (ii) for assurance of, and security for, the payment by handlers for milk purchased.

(F) Nothing contained in this subsection (5) is intended or shall be construed to prevent a cooperative marketing association qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act", engaged in making collective sales or marketing of milk or its products for the producers thereof, from blending the net proceeds of all of its sales in all markets in all use classifications, and making distribution thereof to its producers in accordance with the contract between the association and its producers: *Provided*, That it shall not sell milk or its products to any handler for use or consumption in any market at prices less than the prices fixed pursuant to paragraph (A) of this subsection (5) for such milk.

(G) No marketing agreement or order applicable to milk and its products in any marketing area shall prohibit or in any manner limit, in the case of the products of milk, the marketing in that area of any milk or product thereof produced in any production area in the United States.

(H) Omitted; see United States Code for notes.

(I) Establishing or providing for the establishment of research and development projects, and advertising (excluding brand advertising), sales promotion, educational, and other programs, designed to improve or promote the domestic marketing and consumption of milk and its products, to be financed by producers in a manner and at a rate specified in the order, on all producer milk under the order. Producer contributions under this subparagraph may be deducted from funds due producers in computing total pool value or otherwise computing total funds due producers and such deductions shall be in addition to the adjustments authorized by subparagraph (B) of subsection 8c(5). Provision may be made in the order to exempt, or allow suitable adjustments or credits in connection with, milk on which a mandatory checkoff for advertising or marketing research is required under the authority of any State law. Such funds shall be paid to an agency organized by milk producers and producers' cooperative associations in such form and with such methods of operation as shall be specified in the order. Such agency may expend such funds for any of the purposes authorized by this subparagraph and may designate, employ, and allocate funds to persons and organizations engaged in such programs which meet the standards and qualifications specified in the order. All funds collected under this subparagraph shall be separately accounted for and shall be used only for the purposes for which they were collected. Programs authorized by this subparagraph may be either local or national in scope, or both, as provided in the order, but shall not be international. Order provisions under this subparagraph shall not become effective in any marketing order unless such provisions are approved by producers separately from other order provisions, in the same manner provided for the approval of marketing orders, and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subsection 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order. Notwithstanding any other provision of this Act, as amended, any producer against whose marketing any assessment is withheld or collected under the authority of this subparagraph, and who is not in favor of supporting the research and promotion programs, as provided for herein, shall have the right to demand and receive a refund of such assessment pursuant to the terms and conditions specified in the order.

(J) Providing for the payment, from the total sums payable by all handlers for milk (irrespective of the use classification of such milk) and before computing uniform prices under paragraph (A) and making adjustments in payments under paragraph (C), to handlers that are cooperative marketing associations described in paragraph (F) and to handlers with respect to which adjustments in payments are made under paragraph (C), for services of marketwide benefit, including but not limited to—

- (i) providing facilities to furnish additional supplies of milk needed by handlers and to handle and dispose of milk supplies in excess of quantities needed by handlers;
- (ii) handling on specific days quantities of milk that exceed the quantities needed by handlers; and

(iii) transporting milk from one location to another for the purpose of fulfilling requirements for milk of a higher use classification or for providing a market outlet for milk of any use classification.

(K)(i) Notwithstanding any other provision of law, milk produced by dairies—

(I) owned or controlled by foreign persons; and

(II) financed by or with the use of bonds the interest on which is exempt from Federal income tax under section 103 of the Internal Revenue Code of 1986;

shall be treated as other-source milk, and shall be allocated as milk received from producer-handlers for the purposes of classifying producer milk, under the milk marketing program established under this Act. For the purposes of this subparagraph, the term “foreign person” has the meaning given such term under section 9(3) of the Agricultural Foreign Investment Disclosure Act of 1978 (7 U.S.C. 3508(3)).

(ii) The Secretary of Agriculture shall prescribe regulations to carry out this subparagraph.

(iii) This subparagraph shall not apply with respect to any dairy that began operation before May 6, 1986.

(L) Providing that adjustments in payments by handlers under paragraph (A) need not be the same as adjustments to producers under paragraph (B) with regard to adjustments authorized by subparagraphs (2) and (3) of paragraph (A) and clauses (b), (c), and (d) of paragraph (B)(ii).

(M) MINIMUM MILK PRICES FOR HANDLERS.—

(i) APPLICATION OF MINIMUM PRICE REQUIREMENTS.—Notwithstanding any other provision of this section, a milk handler described in clause (ii) shall be subject to all of the minimum and uniform price requirements of a Federal milk marketing order issued pursuant to this section applicable to the county in which the plant of the handler is located, at Federal order class prices, if the handler has packaged fluid milk product route dispositions, or sales of packaged fluid milk products to other plants, in a marketing area located in a State that requires handlers to pay minimum prices for raw milk purchases.

(ii) COVERED MILK HANDLERS.—Except as provided in clause (iv), clause (i) applies to a handler of Class I milk products (including a producer-handler or producer operating as a handler) that—

(I) operates a plant that is located within the boundaries of a Federal order milk marketing area (as those boundaries are in effect as of the date of the enactment of this subparagraph);

(II) has packaged fluid milk product route dispositions, or sales of packaged fluid milk products to other plants, in a milk marketing area located in a State that requires handlers to pay minimum prices for raw milk purchases; and

(III) is not otherwise obligated by a Federal milk marketing order, or a regulated milk pricing plan operated by a State, to pay minimum class prices for the raw milk that is used for such dispositions or sales.

(iii) OBLIGATION TO PAY MINIMUM CLASS PRICES.—For purposes of clause (ii)(III), the Secretary may not consider a handler of Class I milk products to be obligated by a Federal milk marketing order to pay minimum class prices for raw milk unless the handler operates the plant as a fully regulated fluid milk distributing plant under a Federal milk marketing order.

(iv) CERTAIN HANDLERS EXEMPTED.—Clause (i) does not apply to—

(I) a handler (otherwise described in clause (ii)) that operates a nonpool plant (as defined in section 1000.8(e) of title 7, Code of Federal Regulations, as in effect on the date of the enactment of this subparagraph);

(II) a producer-handler (otherwise described in clause (ii)) for any month during which the producer-handler has route dispositions, and sales to other plants, of packaged fluid milk products equaling less than 3,000,000 pounds of milk; or

(III) a handler (otherwise described in clause (ii)) for any month during which—

(aa) less than 25 percent of the total quantity of fluid milk products physically received at the plant of the handler (excluding concentrated milk received from another plant by agreement for other than Class I use) is disposed of as route disposition or is transferred in the form of packaged fluid milk products to other plants; or

(bb) less than 25 percent in aggregate of the route disposition or transfers are in a marketing area or areas located in one or more States that require handlers to pay minimum prices for raw milk purchases.

(N) EXEMPTION FOR CERTAIN MILK HANDLERS.—Notwithstanding any other provision of this section, no handler with distribution of Class I milk products in the marketing area described in Order No. 131 shall be exempt during any month from any minimum price requirement established by the Secretary under this subsection if the total distribution of Class I products during the preceding month of any such handler's own farm production exceeds 3,000,000 pounds.

(O) RULE OF CONSTRUCTION REGARDING PRODUCER-HANDLERS.—Subparagraphs (M) and (N) shall not be construed as affecting, expanding, or contracting the treatment of producer-handlers under this subsection except as provided in such subparagraphs.

TERMS—OTHER COMMODITIES

(6) In the case of the agricultural commodities and the products thereof, other than milk and its products, specified in subsection (2) orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)), no others:

(A) Limiting, or providing methods for the limitation of, the total quantity of any such commodity or product, or of any grade, size, or quality thereof, produced during any specified period or periods, which may be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such

commodity or product thereof, during any specified period or periods by all handlers thereof.

(B) Allotting, or providing methods for allotting, the amount of such commodity or product, or any grade, size, or quality thereof, which each handler may purchase from or handle on behalf of any and all producers thereof, during any specified period or periods, under a uniform rule based upon the amounts sold by such producers in such prior period as the Secretary determines to be representative, or upon the current quantities available for sale by such producers, or both, to the end that the total quantity thereof to be purchased, or handled during any specified period or periods shall be apportioned equitably among producers.

(C) Allotting, or providing methods for allotting, the amount of any such commodity or product, or any grade, size, or quality thereof, which each handler may market in or transport to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, under a uniform rule based upon the amounts which each such handler has available for current shipment, or upon the amounts shipped by each such handler in such prior period as the Secretary determines to be representative, or both, to the end that the total quantity of such commodity or product, or any grade, size, or quality thereof, to be marketed in or transported to any or all markets in the current of interstate or foreign commerce or so as directly to burden, obstruct, or affect interstate or foreign commerce in such commodity or product thereof, during any specified period or periods shall be equitably apportioned among all of the handlers thereof.

(D) Determining, or providing methods for determining, the existence and extent of the surplus of any such commodity or product, or of any grade, size, or quality thereof, and providing for the control and disposition of such surplus, and for equalizing the burden of such surplus elimination or control among the producers and handlers thereof.

(E) Establishing or providing for the establishment of reserve pools of any such commodity or product, or of any grade, size, or quality thereof, and providing for the equitable distribution of the net return derived from the sale thereof among the persons beneficially interested therein.

(F) Requiring or providing for the requirement of inspection of any such commodity or product produced during specified periods and marketed by handlers.

(G) In the case of hops and their products, in addition to, or in lieu of, the foregoing terms and conditions, orders may contain one or more of the following:

(i) Limiting, or providing methods for the limitation of, the total quantity thereof, or of any grade, type, or variety thereof, produced during any specified period or periods, which all handlers may handle in the current of or so as directly to burden, obstruct, or affect interstate or foreign commerce in hops or any product thereof.

(ii) Apportioning, or providing methods for apportioning, the total quantity of hops of the production of the then current calendar year permitted to be handled equitably among all producers in the production area to which the order applies upon the basis of one or more or a combination of the following: The total quantity of hops

available or estimated will become available for market by each producer from his production during such period; the normal production of the acreage of hops operated by each producer during such period upon the basis of the number of acres of hops in production, and the average yield of that acreage during such period as the Secretary determines to be representative, with adjustments determined by the Secretary to be proper for age of plantings or abnormal conditions affecting yield; such normal production or historical record of any acreage for which data as to yield of hops are not available or which had no yield during such period shall be determined by the Secretary on the basis of the yields of other acreage of hops of similar characteristics as to productivity, subject to adjustment as just provided for.

(iii) Allotting, or providing methods for allotting, the quantity of hops which any handler may handle so that the allotment fixed for that handler shall be limited to the quantity of hops apportioned under preceding section (ii) to each respective producer of hops; such allotment shall constitute an allotment fixed for that handler within the meaning of subsection (5) of section 8a of this title (U.S.C. 1940 edition, title 7, sec. 608a).

(H) providing a method for fixing the size, capacity, weight, dimensions, or pack of the container, or containers, which may be used in the packaging, transportation, sale, shipment, or handling of any fresh or dried fruits, vegetables, or tree nuts: *Provided, however*, That no action taken hereunder shall conflict with the Standard Containers Act of 1916 (15 U.S.C. 251-256) and the Standard Containers Act of 1928 (15 U.S.C. 257-257i);

(I) establishing or providing for the establishment of production research, marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption or efficient production of any such commodity or product, the expense of such projects to be paid from funds collected pursuant to the marketing order: *Provided*, That with respect to orders applicable to almonds, filberts (otherwise known as hazelnuts), California-grown peaches, cherries, papayas, carrots, citrus fruits, onions, Tokay grapes, pears, dates, plums, nectarines, celery, sweet corn, limes, olives, pecans, eggs, avocados, apples, raisins, walnuts, tomatoes, caneberries (including raspberries, blackberries, and loganberries), Florida grown strawberries, or cranberries, such projects may provide for any form of marketing promotion including paid advertising and with respect to almonds, filberts (otherwise known as hazelnuts), raisins, walnuts, olives, Florida Indian River grapefruit, and cranberries may provide for crediting the pro rata expense assessment obligations of a handler with all or any portion of his direct expenditures for such marketing promotion including paid advertising as may be authorized by the order and when the handling of any commodity for canning or freezing is regulated, then any such projects may also deal with the commodity or its products in canned or frozen form: *Provided further*, That the inclusion in a Federal marketing order of provisions for research and marketing promotion, including paid advertising, shall not be deemed to preclude, preempt or supersede any such provisions in any State program covering the same commodity.

(J) In the case of pears for canning or freezing, any order for a production area encompassing territory within two or more States

or portions thereof shall provide that the grade, size, quality, maturity, and inspection regulation under the order applicable to pears grown within any such State or portion thereof may be recommended to the Secretary by the agency established to administer the order only if a majority of the representatives from that State on such agency concur in the recommendation each year.

TERMS COMMON TO ALL ORDERS

(7) In the case of the agricultural commodities and the products thereof specified in subsection (2) orders shall contain one or more of the following terms and conditions:

(A) Prohibiting unfair methods of competition and unfair trade practices in the handling thereof.

(B) Providing that (except for milk and cream to be sold for consumption in fluid form) such commodity or product thereof, or any grade, size, or quality thereof shall be sold by the handlers thereof only at prices filed by such handlers in the manner provided in such order.

(C) Providing for the selection by the Secretary of Agriculture, or a method for the selection, of an agency or agencies and defining their powers and duties, which shall include only the powers:

(i) To administer such order in accordance with its terms and provisions;

(ii) To make rules and regulations to effectuate the terms and provisions of such order;

(iii) To receive, investigate, and report to the Secretary of Agriculture complaints of violations of such order; and

(iv) To recommend to the Secretary of Agriculture amendments to such order.

No person acting as a member of an agency established pursuant to this paragraph (C) shall be deemed to be acting in an official capacity, within the meaning of section 10(g) of this title, unless such person receives compensation for his personal services from funds of the United States. There shall be included in the membership of any agency selected to administer a marketing order applicable to grapefruit for canning or freezing one or more representatives of processors of the commodity specified in such order.

(D) Incidental to, and not inconsistent with, the terms and conditions specified in subsections (5), (6), and (7) and necessary to effectuate the other provisions of such order.

ORDERS WITH MARKETING AGREEMENT

(8) Except as provided in subsection (9) of this section, no order issued pursuant to this section shall become effective until the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of not less than 50 per centum of the volume of the commodity or product thereof covered by such order which is produced or marketed within the production or marketing area defined in such order have signed a marketing agreement, entered into pursuant to section 8b of this title, which regulates the handling of such commodity or product in the same manner as such order, except that as to citrus fruits produced in any area producing what is known as California citrus fruits no order issued pursuant to this subsection (8) shall become effective

until the handlers of not less than 80 per centum of the volume of such commodity or product thereof covered by such order have signed such a marketing agreement: *Provided*, That no order issued pursuant to this subsection shall be effective unless the Secretary of Agriculture determines that the issuance of such order is approved or favored:

(A) By at least two-thirds of the producers who (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said order must be approved or favored by three-fourths of the producers), during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale in the marketing area specified in such marketing agreement or order, or

(B) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-thirds of the volume of such commodity sold within the marketing area specified in such marketing agreement or order.

ORDERS WITH OR WITHOUT MARKETING AGREEMENT

(9) Any order issued pursuant to this section shall become effective in the event that, notwithstanding the refusal or failure of handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of more than 50 per centum of the volume of the commodity or product thereof (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said per centum shall be 80 per centum) covered by such order which is produced or marketed within the production or marketing area defined in such order to sign a marketing agreement relating to such commodity or product therefore, on which a hearing has been held, the Secretary of Agriculture, with the approval of the President, determines:

(A) That the refusal or failure to sign a marketing agreement (upon which a hearing has been held) by the handlers (excluding cooperative associations of producers who are not engaged in processing, distributing, or shipping the commodity or product thereof covered by such order) of more than 50 per centum of the volume of the commodity or product thereof (except that as to citrus fruits produced in any area producing what is known as California citrus fruits said per centum shall be 80 per centum) specified therein which is produced or marketed within the production or marketing area specified therein tends to prevent the effectuation of the declared policy of this title with respect to such commodity or product, and

(B) That the issuance of such order is the only practical means of advancing the interests of the producers of such commodity pursuant to the declared policy, and is approved or favored:

(i) By at least two-thirds of the producers (except that as to citrus fruits produced in any area producing what is known as Cali-

for California citrus fruits said order must be approved or favored by three-fourths of the producers) who, during a representative period determined by the Secretary, have been engaged, within the production area specified in such marketing agreement or order, in the production for market of the commodity specified therein, or who, during such representative period, have been engaged in the production of such commodity for sale in the marketing area specified in such marketing agreement, or order, or

(ii) By producers who, during such representative period, have produced for market at least two-thirds of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or who, during such representative period, have produced at least two-thirds of the volume of such commodity sold within the marketing area specified in such marketing agreement or order.

MANNER OF REGULATION AND APPLICABILITY

(10) No order shall be issued under this section unless it regulates the handling of the commodity or product covered thereby in the same manner as, and is made applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held. No order shall be issued under this title prohibiting, regulating, or restricting the advertising of any commodity or product covered thereby, nor shall any marketing agreement contain any provision prohibiting, regulating, or restricting the advertising of any commodity or product covered by such marketing agreement.

REGIONAL APPLICATION

(11) (A) No order shall be issued under this section which is applicable to all production areas or marketing areas, or both, of any commodity or product thereof unless the Secretary finds that the issuance of several orders applicable to the respective regional production areas or regional marketing areas, or both, as the case may be, of the commodity or product would not effectively carry out the declared policy of this title.

(B) Except in the case of milk and its products, orders issued under this section shall be limited in their application to the smallest regional production areas or regional marketing areas, or both, as the case may be, which the Secretary finds practicable, consistently with carrying out such declared policy.

(C) All orders issued under this section which are applicable to the same commodity or product thereof shall, so far as practicable, prescribe such different terms, applicable to different production areas and marketing areas, as the Secretary finds necessary to give due recognition to the differences in production and marketing of such commodity or product in such areas.

(D) In the case of milk and its products, no county or other political subdivision of the State of Nevada shall be within the marketing area definition of any order issued under this section.

COOPERATIVE ASSOCIATION REPRESENTATION

(12) Whenever, pursuant to the provisions of this section, the Secretary is required to determine the approval or disapproval of

producers with respect to the issuance of any order, or any term or condition thereof, or the termination thereof, the Secretary shall consider the approval or disapproval by any cooperative association of producers, bona fide engaged in marketing the commodity or product thereof covered by such order, or in rendering services for or advancing the interests of the producers of such commodity, as the approval or disapproval of the producers who are members of, stockholders in, or under contract with, such cooperative association of producers.

RETAILER AND PRODUCER EXEMPTION

(13) (A) No order issued under subsection (9) of this section shall be applicable to any person who sells agricultural commodities or products thereof at retail in his capacity as such retailer, except to a retailer in his capacity as a retailer of milk and its products.

(B) No order issued under this title shall be applicable to any producer in his capacity as a producer.

VIOLATION OF ORDER

(14) Any handler subject to an order issued under this section, or any officer, director, agent, or employee of such handler, who violates any provision of such order (other than a provision calling for payment of a pro rata share of expenses) shall, on conviction, be fined not less than \$50 or more than \$5,000 for each such violation, and each day during which such violation continues shall be deemed a separate violation: *Provided*, That if the court finds that a petition pursuant to subsection (15) of this section was filed and prosecuted by the defendant in good faith and not for delay, no penalty shall be imposed under this subsection for such violations as occurred between the date upon which the defendant's petition was filed with the Secretary, and the date upon which notice of the Secretary's ruling thereon was given to the defendant in accordance with regulations prescribed pursuant to subsection (15).

PETITION BY HANDLER AND REVIEW

(15) (A) Any handler subject to an order may file a written petition with the Secretary of Agriculture, stating that any such order or any provision of any such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary of Agriculture, with the approval of the President. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(B) The District Courts of the United States (including the Supreme Court of the District of Columbia) in any district in which such handler is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction in equity to review such ruling, provided a bill in equity for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivery to him a copy of the bill of complaint. If the court determines that such ruling is not in accordance with law, it shall remand

such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to this subsection (15) shall not impede, hinder, or delay the United States or the Secretary of Agriculture from obtaining relief pursuant to section 8a (6) of this title. Any proceedings brought pursuant to section 8a (6) of this title (except where brought by way of counterclaim in proceedings instituted pursuant to this subsection (15)) shall abate whenever a final decree has been rendered in proceedings between the same parties, and covering the same subject matter, instituted pursuant to this subsection (15).

TERMINATION OF ORDERS AND MARKETING AGREEMENTS

(16) (A)(i) Except as provided in clause (ii), the Secretary of Agriculture shall, whenever he finds that any order issued under this section, or any provision thereof, obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such order or such provision thereof.

(ii) The Secretary may not terminate any order issued under this section for a commodity for which there is no Federal program established to support the price of such commodity unless the Secretary gives notice of, and a statement of the reasons relied upon by the Secretary for, the proposed termination of such order to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives not later than 60 days before the date such order will be terminated.

(B) The Secretary shall terminate any marketing agreement entered into under section 8b, or order issued under this section, at the end of the then current marketing period for such commodity, specified in such marketing agreement or order, whenever he finds that such termination is favored by a majority of the producers who, during a representative period determined by the Secretary, have been engaged in the production for market of the commodity specified in such marketing agreement or order, within the production area specified in such marketing agreement or order, or who, during such representative period, have been engaged in the production of such commodity for sale within the marketing area specified in such marketing agreement or order: *Provided*, That such majority have, during such representative period, produced for market more than 50 per centum of the volume of such commodity produced for market within the production area specified in such marketing agreement or order, or have, during such representative period, produced more than 50 per centum of the volume of such commodity sold in the marketing area specified in such marketing agreement or order, but such termination shall be effective only if announced on or before such date (prior to the end of the then current marketing period) as may be specified in such marketing agreement or order.

(C) Except as otherwise provided in this subsection with respect to the termination of an order issued under this section, the termination or suspension of any order or amendment thereto or provision thereof, shall not be considered an order within the meaning of this section.

(17) PROVISIONS APPLICABLE TO AMENDMENTS.—

(A) APPLICABILITY TO AMENDMENTS.—The provisions of this section and section 8d applicable to orders shall be applicable to amendments to orders.

(B) SUPPLEMENTAL RULES OF PRACTICE.—

(i) IN GENERAL.—Not later than 60 days after the date of enactment of this subparagraph, the Secretary shall issue, using informal rulemaking, supplemental rules of practice to define guidelines and timeframes for the rulemaking process relating to amendments to orders.

(ii) ISSUES.—At a minimum, the supplemental rules of practice shall establish—

(I) proposal submission requirements;

(II) pre-hearing information session specifications;

(III) written testimony and data request requirements;

(IV) public participation timeframes; and

(V) electronic document submission standards.

(iii) EFFECTIVE DATE.—The supplemental rules of practice shall take effect not later than 120 days after the date of enactment of this subparagraph, as determined by the Secretary.

(C) HEARING TIMEFRAMES.—

(i) IN GENERAL.—Not more than 30 days after the receipt of a proposal for an amendment hearing regarding a milk marketing order, the Secretary shall—

(I) issue a notice providing an action plan and expected timeframes for completion of the hearing not more than 120 days after the date of the issuance of the notice;

(II)(aa) issue a request for additional information to be used by the Secretary in making a determination regarding the proposal; and

(bb) if the additional information is not provided to the Secretary within the timeframe requested by the Secretary, issue a denial of the request; or

(III) issue a denial of the request.

(ii) REQUIREMENT.—A post-hearing brief may be filed under this paragraph not later than 60 days after the date of an amendment hearing regarding a milk marketing order.

(iii) RECOMMENDED DECISIONS.—A recommended decision on a proposed amendment to an order shall be issued not later than 90 days after the deadline for the submission of post-hearing briefs.

(iv) FINAL DECISIONS.—A final decision on a proposed amendment to an order shall be issued not later than 60 days after the deadline for submission of comments and exceptions to the recommended decision issued under clause (iii).

(D) INDUSTRY ASSESSMENTS.—If the Secretary determines it is necessary to improve or expedite rulemaking under this subsection, the Secretary may impose an as-

assessment on the affected industry to supplement appropriated funds for the procurement of service providers, such as court reporters.

(E) USE OF INFORMAL RULEMAKING.—The Secretary may use rulemaking under section 553 of title 5, United States Code, to amend orders, other than provisions of orders that directly affect milk prices.

(F) AVOIDING DUPLICATION.—The Secretary shall not be required to hold a hearing on any amendment proposed to be made to a milk marketing order in response to an application for a hearing on the proposed amendment if—

(i) the application requesting the hearing is received by the Secretary not later than 90 days after the date on which the Secretary has announced the decision on a previously proposed amendment to that order; and

(ii) the 2 proposed amendments are essentially the same, as determined by the Secretary.

(G) MONTHLY FEED AND FUEL COSTS FOR MAKE ALLOWANCES.—As part of any hearing to adjust make allowances under marketing orders commencing prior to September 30, 2012, the Secretary shall—

(i) determine the average monthly prices of feed and fuel incurred by dairy producers in the relevant marketing area;

(ii) consider the most recent monthly feed and fuel price data available; and

(iii) consider those prices in determining whether or not to adjust make allowances.

MILK PRICES

(18) The Secretary of Agriculture, prior to prescribing any term in any marketing agreement or order, or amendment thereto, relating to milk or its products, if such term is to fix minimum prices to be paid to producers or associations of producers, or prior to modifying the price fixed in any such term, shall ascertain the parity prices of such commodities. The prices which it is declared to be the policy of Congress to establish in section 2 of this title shall, for the purposes of such agreement, order, or amendment, be adjusted to reflect the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk or its products in the marketing area to which the contemplated marketing agreement, order, or amendment relates. Whenever the Secretary finds, upon the basis of the evidence adduced at the hearing required by section 8b or 8c, as the case may be, that the parity prices of such commodities are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in the marketing area to which the contemplated agreement, order, or amendment relates, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest. Thereafter, as the Secretary finds necessary on account of changed circumstances, he shall, after due notice and opportunity for hearing, make adjustments in such prices.

PRODUCER REFERENDUM

(19) For the purpose of ascertaining whether the issuance of an order is approved or favored by producers or processors, as required under the applicable provisions of this title, the Secretary may conduct a referendum among producers or processors and in the case of an order other than an amendatory order shall do so. The requirements of approval or favor under any such provision shall be held to be complied with if, of the total number of producers or processors, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto. Nothing in this subsection shall be construed as limiting representation by cooperative associations as provided in subsection (12) of this section. For the purpose of ascertaining whether the issuance of an order applicable to pears for canning or freezing is approved or favored by producers as required under the applicable provisions of this title, the Secretary shall conduct a referendum among producers in each State in which pears for canning or freezing are proposed to be included within the provisions of such marketing order and the requirements of approval or favor under any such provisions applicable to pears for canning or freezing shall be held to be complied with if, of the total number of producers, or the total volume of production, as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of 66 $\frac{2}{3}$ per centum except that in the event that pear producers in any State fail to approve or favor the issuance of any such marketing order, it shall not be made effective in such State.

* * * * *

SEC. 8e. (a) Subject to the provisions of subsections (c) and (d) and notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this Act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, raisins, olives (other than Spanish-style green olives), prunes, avocados, mangoes, limes, grapefruit, green peppers, Irish potatoes, cucumbers, oranges, onions, walnuts, *pecans*, dates, filberts, table grapes, eggplants, kiwifruit, nectarines, clementines, plums, pistachios, apples, or caneberries (including raspberries, blackberries, and loganberries) produced in the United States the importation into the United States of any such commodity, other than dates for processing, during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order or comparable restrictions promulgated hereunder: *Provided*, That this prohibition shall not apply to such commodities when shipped into continental United States from the Commonwealth of Puerto Rico or any Territory or possession of the United States where this Act has force and effect: *Provided further*, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the

United States are concurrently in effect, the importation into the United States of any such commodity, other than dates for processing, shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than three days. In determining the amount of notice that is reasonable in the case of tomatoes the Secretary of Agriculture shall give due consideration to the time required for their transportation and entry into the United States after picking. Whenever the Secretary of Agriculture finds that the application of the restrictions under a marketing order to an imported commodity is not practicable because of variations in characteristics between the domestic and imported commodity he shall establish with respect to the imported commodity, other than dates for processing, such grade, size, quality, and maturity restrictions by varieties, types, or other classifications as he finds will be equivalent or comparable to those imposed upon the domestic commodity under such order. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary, to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated hereunder shall be subject to a forfeiture in the amount prescribed in section 8a(5) or, upon conviction, a penalty in the amount prescribed in section 8c(14) of the Act, or to both such forfeiture and penalty.

(b)(1) The Secretary may provide for a period of time (not to exceed 35 days) in addition to the period of time covered by a marketing order during which the marketing order requirements would be in effect for a particular commodity during any year if the Secretary determines that such additional period of time is necessary—

(A) to effectuate the purposes of this Act; and

(B) to prevent the circumvention of the grade, size, quality, or maturity standards of a seasonal marketing order applicable to a commodity produced in the United States by imports of such commodity.

(2) In making the determination required by paragraph (1), the Secretary, through notice and comment procedures, shall consider—

(A) to what extent, during the previous year, imports of a commodity that did not meet the requirements of a marketing order applicable to such commodity were marketed in the United States during the period that such marketing order requirements were in effect for available domestic commodities (or would have been marketed during such time if not for any additional period established by the Secretary);

(B) if the importation into the United States of such commodity did, or was likely to, circumvent the grade, size, quality or maturity standards of a seasonal marketing order applicable to such commodity produced in the United States; and

- (C) the availability and price of commodities of the variety covered by the marketing order during any additional period the marketing order requirements are to be in effect.
- (3) An additional period established by the Secretary in accordance with this subsection shall be—
- (A) announced not later than 30 days before the date such additional period is to be in effect; and
- (B) reviewed by the Secretary on request, through notice and comment procedures, at least every 3 years in order to determine if the additional period is still needed to prevent circumvention of the seasonal marketing order by imported commodities.
- (4) For the purposes of carrying out this subsection, the Secretary is authorized to make such reasonable inspections as may be necessary.
- (c) Prior to any important prohibition or regulation under this section being made effective with respect to any commodity—
- (1) the Secretary of Agriculture shall notify the United States Trade Representative of such import prohibition or regulation; and
- (2) the United States Trade Representative shall advise the Secretary of Agriculture, within 60 days of the notification under paragraph (1), to ensure that the application of the grade, size, quality, and maturity provisions of the relevant marketing order, or comparable restrictions, to imports is not inconsistent with United States international obligations under any trade agreement, including the General Agreement on Tariffs and Trade.
- (d) The Secretary may proceed with the proposed prohibition or regulation if the Secretary receives the advice and concurrence of the United States Trade Representative within 60 days of the notification under subsection (c)(1).

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FOOD, CONSERVATION, AND ENERGY ACT OF 2008

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TITLE I—COMMODITY PROGRAMS

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Subtitle E—Dairy

SEC. 1502. DAIRY FORWARD PRICING PROGRAM.

(a) **PROGRAM REQUIRED.**—The Secretary shall establish a program under which milk producers and cooperative associations of producers are authorized to voluntarily enter into forward price contracts with milk handlers.

(b) **MINIMUM MILK PRICE REQUIREMENTS.**—Payments made by milk handlers to milk producers and cooperative associations of producers, and prices received by milk producers and cooperative

associations, in accordance with the terms of a forward price contract authorized by subsection (a), shall be treated as satisfying—

(1) all uniform and minimum milk price requirements of subparagraphs (B) and (F) of paragraph (5) of section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; and

(2) the total payment requirement of subparagraph (C) of that paragraph.

(c) MILK COVERED BY PROGRAM.—

(1) COVERED MILK.—The program shall apply only with respect to the marketing of federally regulated milk that—

(A) is not classified as Class I milk or otherwise intended for fluid use; and

(B) is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects interstate or foreign commerce in federally regulated milk.

(2) RELATION TO CLASS I MILK.—To assist milk handlers in complying with paragraph (1)(A) without having to segregate or otherwise individually track the source and disposition of milk, a milk handler may allocate milk receipts from producers, cooperatives, and other sources that are not subject to a forward contract to satisfy the obligations of the handler with regard to Class I milk usage.

(d) VOLUNTARY PROGRAM.—

(1) IN GENERAL.—A milk handler may not require participation in a forward pricing contract as a condition of the handler receiving milk from a producer or cooperative association of producers.

(2) PRICING.—A producer or cooperative association described in paragraph (1) may continue to have their milk priced in accordance with the minimum payment provisions of the Federal milk marketing order.

(3) COMPLAINTS.—

(A) IN GENERAL.—The Secretary shall investigate complaints made by producers or cooperative associations of coercion by handlers to enter into forward contracts.

(B) ACTION.—If the Secretary finds evidence of coercion, the Secretary shall take appropriate action.

(e) DURATION.—

(1) NEW CONTRACTS.—No forward price contract may be entered into under the program established under this section after September 30, ~~2018~~ 2023.

(2) APPLICATION.—No forward contract entered into under the program may extend beyond September 30, ~~2021~~ 2026.

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TITLE III—TRADE

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Subtitle C—Miscellaneous

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SEC. 3202. GLOBAL CROP DIVERSITY TRUST.

(a) CONTRIBUTION.—The Administrator of the United States Agency for International Development shall contribute funds to endow the Global Crop Diversity Trust (referred to in this section as the “Trust”) to assist in the conservation of genetic diversity in food crops through the collection and storage of the germplasm of food crops in a manner that provides for—

- (1) the maintenance and storage of seed collections;
- (2) the documentation and cataloguing of the genetics and characteristics of conserved seeds to ensure efficient reference for researchers, plant breeders, and the public;
- (3) building the capacity of seed collection in developing countries;
- (4) making information regarding crop genetic data publicly available for researchers, plant breeders, and the public (including through the provision of an accessible Internet website);
- (5) the operation and maintenance of a back-up facility in which are stored duplicate samples of seeds, in the case of natural or man-made disasters; and
- (6) oversight designed to ensure international coordination of those actions and efficient, public accessibility to that diversity through a cost-effective system.

(b) UNITED STATES CONTRIBUTION LIMIT.—The aggregate contributions of funds of the Federal Government provided to the Trust shall not exceed **[25 percent]** *33 percent* of the total amount of funds contributed to the Trust from all sources.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$60,000,000 **[for the period of fiscal years 2014 through 2018]** *for the period of fiscal years 2019 through 2023*.

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SEC. 3206. LOCAL AND REGIONAL FOOD AID PROCUREMENT PROJECTS.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Agency for International Development.

(2) APPROPRIATE COMMITTEE OF CONGRESS.—The term “appropriate committee of Congress” means—

- (A) the Committee on Agriculture, Nutrition, and Forestry of the Senate;
- (B) the Committee on Agriculture of the House of Representatives; and
- (C) the Committee on Foreign Affairs of the House of Representatives.

(3) ELIGIBLE COMMODITY.—The term “eligible commodity” means an agricultural commodity (or the product of an agricultural commodity) that—

- (A) is produced in, and procured from, a developing country; and

(B) at a minimum, meets each nutritional, quality, and labeling standard of the country that receives the agricultural commodity, as determined by the Secretary.

(4) ELIGIBLE ORGANIZATION.—The term “eligible organization” means an organization that is—

(A) described in section 202(d) of the Food for Peace Act (7 U.S.C. 1722(d)); and

(B) with respect to nongovernmental organizations, subject to regulations promulgated or guidelines issued to carry out this section, including United States audit requirements that are applicable to nongovernmental organizations.

(b) FIELD-BASED PROJECTS.—

(1) IN GENERAL.—In accordance with paragraph (2), the Secretary shall provide grants to, or enter into cooperative agreements with, eligible organizations to carry out field-based projects that consist of local or regional procurements of eligible commodities to respond to food crises and disasters in accordance with this section.

(2) CONSULTATION WITH ADMINISTRATOR.—In carrying out the development and implementation of field-based projects under paragraph (1), the Secretary shall consult with the Administrator.

(c) PROCUREMENT.—

(1) IN GENERAL.—Any eligible commodity that is procured for a field-based project carried out under subsection (b) shall be procured through any approach or methodology that the Secretary considers to be an effective approach or methodology to provide adequate information regarding the manner by which to expedite, to the maximum extent practicable, the provision of food aid to affected populations without significantly increasing commodity costs for low-income consumers who procure commodities sourced from the same markets at which the eligible commodity is procured.

(2) REQUIREMENTS.—

(A) IMPACT ON LOCAL FARMERS AND COUNTRIES.—The Secretary shall ensure that the local or regional procurement of any eligible commodity under this section will not have a disruptive impact on farmers located in, or the economy of—

- (i) the recipient country of the eligible commodity; or
- (ii) any country in the region in which the eligible commodity may be procured.

(B) TRANSSHIPMENT.—The Secretary shall, in accordance with such terms and conditions as the Secretary considers to be appropriate, require from each eligible organization commitments designed to prevent or restrict—

- (i) the resale or transshipment of any eligible commodity procured under this section to any country other than the recipient country; and
- (ii) the use of the eligible commodity for any purpose other than food aid.

(C) WORLD PRICES.—

(i) IN GENERAL.—In carrying out this section, the Secretary shall take any precaution that the Secretary

considers to be reasonable to ensure that the procurement of eligible commodities will not unduly disrupt—

- (I) world prices for agricultural commodities; or
- (II) normal patterns of commercial trade with foreign countries.

(ii) **PROCUREMENT PRICE.**—The procurement of any eligible commodity shall be made at a reasonable market price with respect to the economy of the country in which the eligible commodity is procured, as determined by the Secretary.

(d) **FIELD-BASED PROJECT GRANTS OR COOPERATIVE AGREEMENTS.**—

(1) **IN GENERAL.**—The Secretary shall award grants to, or enter into cooperative agreements with, eligible organizations to carry out field-based projects.

(2) **REQUIREMENTS OF ELIGIBLE ORGANIZATIONS.**—

(B) **OTHER APPLICABLE REQUIREMENTS.**—Any other applicable requirement relating to the submission of proposals for consideration shall apply to the submission of an application required under subparagraph (A), as determined by the Secretary.

(A) **IN GENERAL.**—To be eligible to receive a grant from, or enter into a cooperative agreement with, the Secretary under this subsection, an eligible organization shall submit to the Secretary an application by such date, in such manner, and containing such information as the Secretary may require.

(B) **OTHER APPLICABLE REQUIREMENTS.**—Any other applicable requirement relating to the submission of proposals for consideration shall apply to the submission of an application required under subparagraph (A), as determined by the Secretary.

(3) **REQUIREMENTS OF SECRETARY.**—

(A) **PROJECT DIVERSITY.**—

(i) **IN GENERAL.**—Subject to clause (ii) and subparagraph (B), in selecting proposals for field-based projects to fund under this section, the Secretary shall select a diversity of projects, including projects located in—

- (I) food surplus regions;
- (II) food deficit regions (that are carried out using regional procurement methods); and
- (III) multiple geographical regions.

(ii) **PRIORITY.**—In selecting proposals for field-based projects under clause (i), the Secretary shall ensure that the majority of selected proposals are for field-based projects that—

- (I) are located in Africa; and
- (II) procure eligible commodities that are produced in Africa.

(B) **DEVELOPMENT ASSISTANCE.**—A portion of the funds provided under this subsection shall be made available for

field-based projects that provide development assistance for a period of not less than 1 year.

(e) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$80,000,000 for each of fiscal years 2014 through ~~2018~~ 2023.

(2) PREFERENCE.—In carrying out this section, the Secretary may give a preference to eligible organizations that have, or are working toward, projects under the McGovern-Dole International Food for Education and Child Nutrition Program established under section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1).

(3) REPORTING.—Each year, the Secretary shall submit to the appropriate committees of Congress a report that describes the use of funds under this section, including—

- (A) the impact of procurements and projects on—
 - (i) local and regional agricultural producers; and
 - (ii) markets and consumers, including low-income consumers; and
- (B) implementation time frames and costs.

TITLE IV—NUTRITION

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Subtitle D—Miscellaneous

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SEC. 4405. ~~FOOD INSECURITY NUTRITION INCENTIVE.] GUS SCHUMACHER FOOD INSECURITY NUTRITION INCENTIVE PROGRAM.~~

(a) IN GENERAL.—In this section:

(1) ELIGIBLE ENTITY.—The term “eligible entity” means—

- (A) a nonprofit organization (including an emergency feeding organization);
- (B) an agricultural cooperative;
- (C) a producer network or association;
- (D) a community health organization;
- (E) a public benefit corporation;
- (F) an economic development corporation;
- (G) a farmers’ market;
- (H) a community-supported agriculture program;
- (I) a buying club;
- (J) a retail food store participating in the supplemental nutrition assistance program;
- (K) a State, local, or tribal agency; and
- (L) any other entity the Secretary designates.

(2) EMERGENCY FEEDING ORGANIZATION.—The term “emergency feeding organization” has the meaning given the term in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501).

(3) SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—The term “supplemental nutrition assistance program” means the

supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

(b) FOOD INSECURITY NUTRITION INCENTIVE GRANTS.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—In each of the years specified in subsection (c), the Secretary shall make grants to eligible entities in accordance with paragraph (2).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 50 percent of the total cost of the activity.

(C) NON-FEDERAL SHARE.—

(i) IN GENERAL.—The non-Federal share of the cost of an activity under this subsection may be provided—

(I) in cash or in-kind contributions as determined by the Secretary, including facilities, equipment, or services; and

(II) by a State or local government or a private source.

(ii) LIMITATION.—In the case of a for-profit entity, the non-Federal share described in clause (i) shall not include services of an employee, including salaries paid or expenses covered by the employer.

(2) CRITERIA.—

(A) IN GENERAL.—For purposes of this subsection, an eligible entity is a governmental agency or nonprofit organization that—

(i) meets the application criteria set forth by the Secretary; and

(ii) proposes a project that, at a minimum—

(I) has the support of the State agency;

(II) would increase the purchase of fruits and vegetables by low-income consumers participating in the supplemental nutrition assistance program by providing *financial* incentives at the point of purchase;

[(III) agrees to participate in the evaluation described in paragraph (4);]

[(III) has adequate plans to collect data for reporting and agrees to participate in a program evaluation; and]

(IV) ensures that the same terms and conditions apply to purchases made by individuals with benefits issued under this Act and incentives provided for in this subsection as apply to purchases made by individuals who are not members of households receiving benefits, such as provided for in section 278.2(b) of title 7, Code of Federal Regulations (or a successor regulation)[; and].

[(V) includes effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.]

[(B) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to projects that—

[(i) maximize the share of funds used for direct incentives to participants;

- [(ii) use direct-to-consumer sales marketing;
- [(iii) demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;
- [(iv) provide locally or regionally produced fruits and vegetables;
- [(v) are located in underserved communities; or
- [(vi) address other criteria as established by the Secretary.]

(B) *PRIORITIES.*—*In awarding grants under this section—*

(i) *the Secretary shall give priority to projects that—*

(I) *maximize the share of funds used for direct incentives to participants;*

(II) *include coordination with multiple stakeholders, such as farm organizations, nutrition education programs, cooperative extension service programs, public health departments, health providers, private and public health insurance agencies, cooperative grocers, grocery associations, and community-based and non-governmental organizations;*

(III) *have the capacity to generate sufficient data and analysis to demonstrate effectiveness of program incentives; and*

(ii) *the Secretary may also give priority to projects that—*

(I) *are located in underserved communities;*

(II) *use direct-to-consumer sales marketing;*

(III) *demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;*

(IV) *provide locally or regionally produced fruits and vegetables;*

(V) *offer supplemental services in high-need communities, including online ordering, transportation between home and store, and delivery services;*

(VI) *provide year-round access to program incentives; and*

(VII) *address other criteria as established by the Secretary.*

(3) *APPLICABILITY.*—

(A) *IN GENERAL.*—*The value of any benefit provided to a participant in any activity funded under this subsection shall be treated as supplemental nutrition benefits under section 8(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2017(b)).*

(B) *PROHIBITION ON COLLECTION OF SALES TAXES.*—*Each State shall ensure that no State or local tax is collected on a purchase of food under this subsection.*

(C) *NO LIMITATION ON BENEFITS.*—*A grant made available under this subsection shall not be used to carry out any project that limits the use of benefits under the Food*

and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) or any other Federal nutrition law.

(D) HOUSEHOLD ALLOTMENT.—Assistance provided under this subsection to households receiving benefits under the supplemental nutrition assistance program shall not—

(i) be considered part of the supplemental nutrition assistance program benefits of the household; or

(ii) be used in the collection or disposition of claims under section 13 of the Food and Nutrition Act of 2008 (7 U.S.C. 2022).

[(4) EVALUATION.—

[(A) INDEPENDENT EVALUATION.—The Secretary shall provide for an independent evaluation of projects selected under this subsection that measures the impact of each project on—

[(i) improving the nutrition and health status of participating households receiving incentives under this subsection; and

[(ii) increasing fruit and vegetable purchases in participating households.

[(B) REQUIREMENT.—The independent evaluation under subparagraph (A) shall use rigorous methodologies capable of producing scientifically valid information regarding the effectiveness of a project.

[(C) COSTS.—The Secretary may use funds not to exceed 10 percent of the funding provided to carry out this section to pay costs associated with administering, monitoring, and evaluating each project.]

(4) TRAINING, EVALUATION, AND INFORMATION CENTER.—

(A) IN GENERAL.—*The Secretary, in consultation with the Director of the National Institute of Food and Agriculture, shall establish a Food Insecurity Nutrition Incentive Program Training, Evaluation, and Information Center capable of providing services related to grants under subsection (b), including—*

(i) offering incentive program training and technical assistance to applicants and grantees to the extent practicable;

(ii) collecting, evaluating, and sharing information on best practices on common incentive activities;

(iii) assisting with collaboration among grantee projects, State agencies, and nutrition education programs;

(iv) facilitating communication between grantees and the Department of Agriculture; and

(v) compiling program data from grantees and generating an annual report to Congress on grant outcomes.

(B) COOPERATIVE AGREEMENT.—*To carry out subparagraph (A), the Secretary may enter into a cooperative agreement with an organization with expertise in the supplemental nutrition assistance program incentive programs, including—*

(i) nongovernmental organizations;

(ii) State cooperative extension services;

(iii) regional food system centers;

- (iv) *Federal and State agencies;*
- (v) *public, private, and land-grant colleges and universities; and*
- (vi) *other appropriate entities as determined by the Secretary.*

(C) *FUNDING LIMITATION.—Of the funds made available under subsection (c), the Secretary may use to carry out this paragraph not more than—*

- (i) *\$2,000,000 for each of the fiscal years 2019 and 2020, and*
- (ii) *\$1,000,000 for each fiscal year thereafter.*

(c) *FUNDING.—*

(1) *AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (b) \$5,000,000 for each of fiscal years [2014 through 2018] 2019 through 2023.*

(2) *MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out subsection (b)—*

(A) *\$35,000,000 for the period of fiscal years 2014 and 2015;*

(B) *\$20,000,000 for each of fiscal years 2016 and 2017;*

[and]

(C) *\$25,000,000 for fiscal year 2018[.];*

(D) *\$45,000,000 for fiscal year 2019;*

(E) *\$50,000,000 for fiscal year 2020;*

(F) *\$55,000,000 for fiscal year 2021;*

(G) *\$60,000,000 for fiscal year 2022; and*

(H) *\$65,000,000 for fiscal year 2023 and each fiscal year thereafter.*

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TITLE VII—RESEARCH AND RELATED MATTERS

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Subtitle E—Miscellaneous

PART I—GENERAL PROVISIONS

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SEC. 7502. GRAZINGLANDS RESEARCH LABORATORY.

Except as otherwise specifically authorized by law and notwithstanding any other provision of law, the Federal land and facilities at El Reno, Oklahoma, administered by the Secretary (as of the date of enactment of this Act) as the Grazinglands Research Laboratory, shall not at any time, in whole or in part, be declared to be excess or surplus Federal property under chapter 5 of subtitle I of title 40, United States Code, or otherwise be conveyed or transferred in whole or in part, for the [10-year period] 15-year period beginning on the date of enactment of this Act.

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PART III—NEW GRANT AND RESEARCH PROGRAMS

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SEC. 7522. FARM AND RANCH STRESS ASSISTANCE NETWORK.

(a) **IN GENERAL.**—The Secretary, in [coordination with the Secretary of Health and Human Services, shall make competitive grants to support cooperative programs between State cooperative extension services and nonprofit organizations] *consultation with the Secretary of Health and Human Services, shall make competitive grants to State cooperative extension services and Indian Tribes to support programs with nonprofit organizations in order to establish a Farm and Ranch Stress Assistance Network that provides stress assistance programs to individuals who are engaged in farming, ranching, and other agriculture-related occupations.*

(b) **ELIGIBLE PROGRAMS.**—Grants awarded under subsection (a) may be used to initiate, expand, or sustain programs that provide professional agricultural behavioral health counseling and referral for other forms of assistance as necessary through—

- (1) farm telephone helplines and *Internet* websites;
- [(2) community education;]
- (2) *training for individuals who may assist farmers in crisis, including programs and workshops;*
- (3) support groups;
- (4) outreach services and activities, *including the dissemination of information and materials;* and
- (5) home delivery of assistance, in a case in which a farm resident is homebound.

(c) **EXTENSION SERVICES.**—Grants shall be awarded under this subsection directly to State cooperative extension services [to enable the State cooperative extension services] *or Indian tribes, as applicable, to enter into contracts, on a multiyear basis, with nonprofit, community-based, direct-service organizations to initiate, expand, or sustain cooperative programs described in subsections (a) and (b).*

(d) **OVERSIGHT AND EVALUATION.**—*The Secretary, in consultation with the Secretary of Health and Human Services, shall review and evaluate the stress assistance programs carried out pursuant to this section.*

(1) **PROGRAM REVIEW.**—*Not later than 2 years after the date on which a grant is first provided under this section, and annually thereafter, the Secretary shall—*

(A) *review the programs funded under a grant made under this section to evaluate the effectiveness of the services offered through such a program, and suggest alternative services not offered by such a grant recipient that would be appropriate for behavioral health services; and*

(B) *submit to the Congress, and make available on the public Internet website of the Department of Agriculture, a report containing the results of the review conducted under subparagraph (A) and a description of the services provided through programs funded under such a grant.*

(2) **PUBLIC AVAILABILITY.**—*In making the report under paragraph (1) publicly available, the Secretary shall take such steps*

as may be necessary to ensure that the report does not contain any information that would identify any person who received services under a program funded under a grant made under this section.

[(d)] (e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of **[fiscal years 2008 through 2012.]** *fiscal years 2018 through 2023*

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SEC. 7525. NATURAL PRODUCTS RESEARCH PROGRAM.

(a) **IN GENERAL.**—The Secretary shall establish within the Department a natural products research program.

(b) **DUTIES.**—In carrying out the program established under subsection (a), the Secretary shall coordinate research relating to natural products, including—

(1) research to improve human health and agricultural productivity through the discovery, development, and commercialization of products and agrichemicals from bioactive natural products, including products from plant, marine, and microbial sources;

(2) research to characterize the botanical sources, production, chemistry, and biological properties of plant-derived natural products; and

(3) other research priorities identified by the Secretary.

(c) **PEER AND MERIT REVIEW.**—The Secretary shall—

(1) determine the relevance and merit of research under this section through a system of peer review established by the Secretary pursuant to section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613); and

(2) approve funding for research on the basis of merit, quality, and relevance to advancing the purposes of this section.

(d) **BUILDINGS AND FACILITIES.**—Funds made available under this section shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement and architect fees).

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$7,000,000 for each of fiscal years 2014 through **[2018]** 2023.

SEC. 7526. SUN GRANT PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary shall establish and carry out a program to provide grants to the sun grant centers and subcenter specified in subsection (b)—

(1) to enhance national energy security through the development, distribution, and implementation of biobased energy technologies;

(2) to promote diversification in, and the environmental sustainability of, agricultural production in the United States through biobased energy and product technologies;

(3) to promote economic diversification in rural areas of the United States through biobased energy and product technologies; and

(4) to enhance the efficiency of bioenergy and biomass research and development programs through improved coordination and collaboration among—

- (A) the Department of Agriculture;
- (B) other appropriate Federal agencies (as determined by the Secretary); and
- (C) land-grant colleges and universities.

(b) GRANTS.—

(1) IN GENERAL.—The Secretary shall use amounts made available under subsection (g) to provide grants to each of the following:

(A) NORTH-CENTRAL CENTER.—A north-central sun grant center for the region composed of the States of Illinois, Indiana, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming.

(B) SOUTHEASTERN CENTER.—A southeastern sun grant center for the region composed of—

- (i) the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia;
- (ii) the Commonwealth of Puerto Rico; and
- (iii) the United States Virgin Islands.

(C) SOUTH-CENTRAL CENTER.—A south-central sun grant center for the region composed of the States of Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.

(D) WESTERN CENTER.—A western sun grant center for the region composed of—

- (i) the States of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington; and
- (ii) insular areas (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103 (other than the insular areas referred to in clauses (ii) and (iii) of subparagraph (B))).

(E) NORTHEASTERN CENTER.—A northeastern sun grant center for the region composed of the States of Connecticut, Delaware, Massachusetts, Maryland, Maine, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia.

(F) WESTERN INSULAR PACIFIC SUBCENTER.—A western insular Pacific sun grant subcenter for the region of Alaska, Hawaii, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(2) MANNER OF DISTRIBUTION.—

(A) CENTERS.—In providing any funds made available under subsection (g), the Secretary shall distribute the grants in equal amounts to the sun grant centers described in subparagraphs (A) through (E) of paragraph (1).

(B) SUBCENTER.—The sun grant center described in paragraph (1)(D) shall allocate a portion of the funds received under paragraph (1) to the subcenter described in

paragraph (1)(F) pursuant to guidance issued by the Secretary.

(3) FAILURE TO COMPLY WITH REQUIREMENTS.—If the Secretary finds on the basis of a review of the annual report required under subsection (f) or on the basis of an audit of a sun grant center or subcenter conducted by the Secretary that the center or subcenter has not complied with the requirements of this section, the sun grant center or subcenter shall be ineligible to receive further grants under this section for such period of time as may be prescribed by the Secretary.

(c) USE OF FUNDS.—

(1) COMPETITIVE GRANTS.—

(A) IN GENERAL.—A sun grant center or subcenter shall use 75 percent of the funds described in subsection (b) to provide competitive grants to entities that are—

(i) eligible to receive grants under subsection (b)(7) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)); and

(ii) located in the region covered by the sun grant center or subcenter.

(B) ACTIVITIES.—Grants described in subparagraph (A) shall be used by the grant recipient to conduct, in a manner consistent with the purposes described in subsection (a), multi-institutional and integrated, multistate research, extension, and education programs on technology development and technology implementation.

(C) ADMINISTRATION.—

(i) PEER AND MERIT REVIEW.—In making grants under this paragraph, a sun grant center or subcenter shall—

(I) seek and accept proposals for grants;

(II) determine the relevance and merit of proposals through a system of peer review similar to that established by the Secretary pursuant to section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613); and

(III) award grants on the basis of merit, quality, and relevance to advancing the purposes of this section.

(ii) PRIORITY.—A sun grant center or subcenter shall give a higher priority to programs that are consistent with the plan approved by the Secretary under subsection (d).

(iii) TERM.—A grant awarded by a sun grant center or subcenter shall have a term that does not exceed 5 years.

(iv) MATCHING FUNDS REQUIRED.—

(I) IN GENERAL.—Except as provided in subclauses (II) and (III), as a condition of receiving a grant under this paragraph, the sun grant center or subcenter shall require that not less than 20 percent of the cost of an activity described in subparagraph (B) be matched with funds, including in-kind contributions, from a non-Federal source.

(II) EXCLUSION.—Subclause (I) shall not apply to fundamental research (as defined in subsection (f)(1) of section 251 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971) (as added by section 7511(a)(4)).

(III) REDUCTION.—The sun grant center or subcenter may reduce or eliminate the requirement for non-Federal funds under subclause (I) for applied research (as defined in subsection (f)(1) of section 251 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971) (as added by section 7511(a)(4)) if the sun grant center or subcenter determines that the reduction is necessary and appropriate pursuant to guidance issued by the Secretary.

(IV) RELATION TO OTHER MATCHING FUND REQUIREMENT.—The matching funds requirement under section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 shall not apply in the case of a grant provided by a sun grant center or subcenter under this paragraph.

(v) BUILDINGS AND FACILITIES.—Funds made available for grants shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement and architect fees).

(vi) LIMITATION ON INDIRECT COSTS.—A sun grant center or subcenter may not recover the indirect costs of making grants under subparagraph (A).

(2) ADMINISTRATIVE EXPENSES.—A sun grant center or subcenter may use up to 4 percent of the funds described in subsection (b) to pay administrative expenses incurred in carrying out paragraph (1).

(3) RESEARCH, EXTENSION AND EDUCATIONAL ACTIVITIES.—The sun grant centers and subcenter shall use the remainder of the funds described in subsection (b) to conduct, in a manner consistent with the purposes described in subsection (a), multi-institutional and multistate—

(A) research, extension, and educational programs on technology development; and

(B) integrated research, extension, and educational programs on technology implementation.

(d) PLAN FOR RESEARCH ACTIVITIES TO BE FUNDED.—

(1) IN GENERAL.—Subject to the availability of funds under subsection (g), and in cooperation with land-grant colleges and universities and private industry, the sun grant centers and subcenter shall jointly develop and submit to the Secretary for approval a plan for addressing the bioenergy, biomass, and bio-products research priorities of the Department of Agriculture and other appropriate Federal agencies at the State and regional levels.

(2) FUNDING.—Funds described in subsection (c)(2) shall be available to carry out planning coordination under paragraph (1).

(3) USE OF PLAN.—The sun grant centers and subcenter shall use the plan described in paragraph (1) in making grants under subsection (c)(1).

(e) GRANT INFORMATION ANALYSIS CENTER.—The sun grant centers and subcenter shall maintain a Sun Grant Information Analysis Center at the sun grant center specified in subsection (b)(1)(A) to provide the sun grant centers and subcenter with analysis and data management support.

(f) ANNUAL REPORTS.—Not later than 90 days after the end of each fiscal year, a sun grant center or subcenter receiving a grant under this section shall submit to the Secretary a report that describes the policies, priorities, and operations of the program carried out by the center or subcenter during the fiscal year, including—

(1) the results of all peer and merit review procedures conducted pursuant to subsection (c)(1)(C)(i); and

(2) a description of progress made in facilitating the priorities described in subsection (d)(1).

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2008 through [2018] 2023, of which not more than \$4,000,000 for each fiscal year shall be made available to carry out subsection (e).

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TITLE X—HORTICULTURE AND ORGANIC AGRICULTURE

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Subtitle A—Horticulture Marketing and Information

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SEC. 10105. FOOD SAFETY EDUCATION INITIATIVES.

(a) INITIATIVE AUTHORIZED.—The Secretary may carry out a food safety education program to educate the public and persons in the fresh produce industry about—

(1) scientifically proven practices for reducing microbial pathogens on fresh produce; and

(2) methods of reducing the threat of cross-contamination of fresh produce through sanitary handling practices.

(b) COOPERATION.—The Secretary may carry out the education program in cooperation with public and private partners.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000 for each of fiscal years 2008 through [2018] 2023, to remain available until expended.

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SEC. 10107. SPECIALTY CROPS MARKET NEWS ALLOCATION.

(a) IN GENERAL.—The Secretary shall—

(1) carry out market news activities to provide timely price and shipment information of specialty crops in the United States; and

(2) use funds made available under subsection (b) to increase the reporting levels for specialty crops in effect on the date of enactment of this Act.

(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available through annual appropriations for market news services, there is authorized to be appropriated to carry out this section \$9,000,000 for each of fiscal years 2008 through [2018] 2023, to remain available until expended.

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TITLE XI—LIVESTOCK

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SEC. 11013. NATIONAL AQUATIC ANIMAL HEALTH PLAN.

(a) IN GENERAL.—The Secretary of Agriculture may enter into a cooperative agreement with an eligible entity to carry out a project under a national aquatic animal health plan under the authority of the Secretary under section 10411 of the Animal Health Protection Act (7 U.S.C. 8310) for the purpose of detecting, controlling, or eradicating diseases of aquaculture species and promoting species-specific best management practices.

(b) COOPERATIVE AGREEMENTS BETWEEN ELIGIBLE ENTITIES AND THE SECRETARY.—

(1) DUTIES.—As a condition of entering into a cooperative agreement with the Secretary under this section, an eligible entity shall agree to—

(A) assume responsibility for the non-Federal share of the cost of carrying out the project under the national aquatic health plan, as determined by the Secretary in accordance with paragraph (2); and

(B) act in accordance with applicable disease and species specific best management practices relating to activities to be carried out under such project.

(2) NON-FEDERAL SHARE.—The Secretary shall determine the non-Federal share of the cost of carrying out a project under the national aquatic health plan on a case-by-case basis for each such project. Such non-Federal share may be provided in cash or in-kind.

(c) APPLICABILITY OF OTHER LAWS.—In carrying out this section, the Secretary may make use of the authorities under the Animal Health Protection Act (7 U.S.C. 8301 et seq.), including the authority to carry out operations and measures to detect, control, and eradicate pests and diseases and the authority to pay claims arising out of the destruction of any animal, article, or means of conveyance.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2008 through [2018] 2023.

(e) ELIGIBLE ENTITY DEFINED.—In this section, the term “eligible entity” means a State, a political subdivision of a State, Indian tribe, or other appropriate entity, as determined by the Secretary of Agriculture.

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TITLE XIV—MISCELLANEOUS

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Subtitle B—Agricultural Security

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CHAPTER 1—AGRICULTURAL SECURITY

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SEC. 14112. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.

(a) ESTABLISHMENT.—The Secretary shall establish a communication center within the Department to—

- (1) collect and disseminate information and prepare for an agricultural disease emergency, agroterrorist act, or other threat to agricultural biosecurity; and
- (2) coordinate activities described in paragraph (1) among agencies and offices within the Department.

(b) RELATION TO EXISTING DHS COMMUNICATION SYSTEMS.—

- (1) CONSISTENCY AND COORDINATION.—The communication center established under subsection (a) shall, to the maximum extent practicable, share and coordinate the dissemination of timely information with the Department of Homeland Security and other communication systems of appropriate Federal departments and agencies.
- (2) AVOIDING REDUNDANCIES.—Paragraph (1) shall not be construed to impede, conflict with, or duplicate the communications activities performed by the Secretary of Homeland Security under any provision of law.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

- (1) such sums as are necessary for each of fiscal years 2008 through 2013; and
- (2) \$2,000,000 for each of fiscal years 2014 through [2018] 2023.

SEC. 14113. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPAREDNESS, AND RESPONSE.

(a) ADVANCED TRAINING PROGRAMS.—

(1) GRANT ASSISTANCE.—The Secretary shall establish a competitive grant program to support the development and expansion of advanced training programs in agricultural biosecurity planning and response for food science professionals and veterinarians.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this subsection—

- (A) such sums as are necessary for each of fiscal years 2008 through 2013; and
 - (B) \$15,000,000 for each of fiscal years 2014 through **[2018] 2023**.
- (b) ASSESSMENT OF RESPONSE CAPABILITY.—
- (1) GRANT AND LOAN ASSISTANCE.—The Secretary shall establish a competitive grant and low-interest loan assistance program to assist States in assessing agricultural disease response capability.
 - (2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—
 - (A) \$25,000,000 for each of fiscal years 2008 through 2013; and
 - (B) \$15,000,000 for each of fiscal years 2014 through **[2018] 2023**.

CHAPTER 2—OTHER PROVISIONS

SEC. 14121. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.

- (a) GRANT PROGRAM.—
- (1) COMPETITIVE GRANT PROGRAM.—The Secretary shall establish a competitive grant program to encourage basic and applied research and the development of qualified agricultural countermeasures.
 - (2) WAIVER IN EMERGENCIES.—The Secretary may waive the requirement under paragraph (1) that a grant be provided on a competitive basis if—
 - (A) the Secretary has declared a plant or animal disease emergency under the Plant Protection Act (7 U.S.C. 7701 et seq.) or the Animal Health Protection Act (7 U.S.C. 8301 et seq.); and
 - (B) waiving the requirement would lead to the rapid development of a qualified agricultural countermeasure, as determined by the Secretary.
- (b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—
- (1) \$50,000,000 for each of fiscal years 2008 through 2013; and
 - (2) \$15,000,000 for each of fiscal years 2014 through **[2018] 2023**.

SEC. 14122. AGRICULTURAL BIOSECURITY GRANT PROGRAM.

- (a) COMPETITIVE GRANT PROGRAM.—The Secretary shall establish a competitive grant program to promote the development of teaching programs in agriculture, veterinary medicine, and disciplines closely allied to the food and agriculture system to increase the number of trained individuals with an expertise in agricultural biosecurity.
- (b) ELIGIBILITY.—The Secretary may award a grant under this section only to an entity that is—
- (1) an accredited school of veterinary medicine; or
 - (2) a department of an institution of higher education with a primary focus on—
 - (A) comparative medicine;
 - (B) veterinary science; or

- (C) agricultural biosecurity.
- (c) PREFERENCE.—The Secretary shall give preference in awarding grants based on the ability of an applicant—
- (1) to increase the number of veterinarians or individuals with advanced degrees in food and agriculture disciplines who are trained in agricultural biosecurity practice areas;
 - (2) to increase research capacity in areas of agricultural biosecurity; or
 - (3) to fill critical agricultural biosecurity shortage situations outside of the Federal Government.
- (d) USE OF FUNDS.—
- (1) IN GENERAL.—Amounts received under this section shall be used by a grantee to pay—
 - (A) costs associated with the acquisition of equipment and other capital costs relating to the expansion of food, agriculture, and veterinary medicine teaching programs in agricultural biosecurity;
 - (B) capital costs associated with the expansion of academic programs that offer postgraduate training for veterinarians or concurrent training for veterinary students in specific areas of specialization; or
 - (C) other capacity and infrastructure program costs that the Secretary considers appropriate.
 - (2) LIMITATION.—Funds received under this section may not be used for the construction, renovation, or rehabilitation of a building or facility.
- (e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—
- (1) such sums as are necessary for each of fiscal years 2008 through 2013, to remain available until expended; and
 - (2) \$5,000,000 for each of fiscal years 2014 through [2018] 2023, to remain available until expended.

Subtitle C—Other Miscellaneous Provisions

* * * * *

SEC. 14208. DEPARTMENT OF AGRICULTURE CONFERENCE TRANSPARENCY.

- (a) REPORT.—
- (1) REQUIREMENT.—Not later than September 30 of each year, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on conferences sponsored or held by the Department of Agriculture or attended by employees of the Department of Agriculture.
 - (2) CONTENTS.—Each report under paragraph (1) shall contain—
 - (A) for each conference sponsored or held by the Department or attended by employees of the Department—
 - (i) the name of the conference;
 - (ii) the location of the conference;

(iii) the number of Department of Agriculture employees attending the conference; and

(iv) the costs (including travel expenses) relating to such conference; and

(B) for each conference sponsored or held by the Department of Agriculture for which the Department awarded a procurement contract, a description of the contracting procedures related to such conference.

(3) EXCLUSIONS.—The requirement in paragraph (1) shall not apply to any conference—

(A) for which the cost to the Federal Government was less than ~~[\$10,000]~~ \$75,000; or

(B) outside of the United States that is attended by the Secretary or the Secretary’s designee as an official representative of the United States government.

(b) AVAILABILITY OF REPORT.—Each report submitted in accordance with subsection (a) shall be posted in a searchable format on a Department of Agriculture website that is available to the public.

(c) DEFINITION OF CONFERENCE.—In this section, the term “conference”—

(1) means a meeting that—

(A) is held for consultation, education, awareness, or discussion;

(B) includes participants from at least one agency of the Department of Agriculture;

(C) is held in whole or in part at a facility outside of an agency of the Department of Agriculture; and

(D) involves costs associated with travel and lodging for some participants; and

(2) does not include any training program that is continuing education or a curriculum-based educational program, provided that such training program is held independent of a conference of a non-governmental organization.

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ACT OF AUGUST 13, 1968

(Public Law 90-484)

AN ACT To provide indemnity payments to dairy farmers.

* * * * *

SEC. 3. The authority granted under this Act shall expire on September 30, ~~[2018]~~ 2023.

DAIRY PRODUCTION STABILIZATION ACT OF 1983

TITLE I—DAIRY

* * * * *

Subtitle B—Dairy Promotion Program

* * * * *

REQUIRED TERMS IN ORDERS

SEC. 113. Any order issued under this subtitle shall contain terms and conditions as follows:

(a) The order shall provide for the establishment and administration of appropriate plans or projects for advertisement and promotion of the sale and consumption of dairy products, for research projects related thereto, for nutrition education projects, and for the disbursement of necessary funds for such purposes. Any such plan or project shall be directed toward the sale and marketing or use of dairy products to the end that the marketing and use of dairy products may be encouraged, expanded, improved, or made more acceptable. No such advertising or sales promotion program shall make use of unfair or deceptive acts or practices with respect to the quality, value, or use of any competing product.

(b) NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—

(1) The order shall provide for the establishment and appointment by the Secretary of a National Dairy Promotion and Research Board that shall consist of not less than thirty-six members.

(2) Except as provided in paragraph (6), the members of the Board shall be milk producers appointed by the Secretary from nominations submitted by eligible organizations certified under section 114 of this subtitle, or, if the Secretary determines that a substantial number of milk producers are not members of, or their interests are not represented by, any such eligible organization, then from nominations made by such milk producers in the manner authorized by the Secretary.

(3) In making such appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of milk production volume throughout the United States.

(4) In determining geographic representation, whole States shall be considered as a unit.

(5) A region may be represented by more than one director and a region may be made up of more than one State.

(6) IMPORTERS.—

(A) INITIAL REPRESENTATION.—In making initial appointments to the Board of importer representatives, the Secretary shall appoint 2 members who represent importers of dairy products and are subject to assessments under the order.

(B) SUBSEQUENT REPRESENTATION.—At least once every 3 years after the initial appointment of importer representatives under subparagraph (A), the Secretary shall review the average volume of domestic production of dairy products compared to the average volume of imports of dairy products into the United States during the previous 3 years and, on the basis of that review, shall reapportion importer representation on the Board to reflect the proportional share of the United States market by domestic production and imported dairy products.

(C) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

(i) shall be in addition to the total number of members appointed under paragraph (2); and

(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.

(7) The term of appointment to the Board shall be for three years with no member serving more than two consecutive terms, except that initial appointments shall be proportionately for one-year, two-year, and three-year terms.

(8) The Board shall appoint from its members an executive committee whose membership shall equally reflect each of the different regions in the United States in which milk is produced as well as importers of dairy products.

(9) The executive committee shall have such duties and powers as are conferred upon it by the Board.

Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board including a per diem allowance as recommended by the Board and approved by the Secretary.

(c) The order shall define the powers and duties of the Board that shall include only the powers enumerated in this section. These shall include, in addition to the powers set forth elsewhere in this section, the powers to (1) receive and evaluate, or on its own initiative develop, and budget for plans or projects to promote the use of fluid milk and dairy products as well as projects for research and nutrition education and to make recommendations to the Secretary regarding such proposals, (2) administer the order in accordance with its terms and provisions, (3) make rules and regulations to effectuate the terms and provisions of the order, (4) receive, investigate, and report to the Secretary complaints of violations of the order, and (5) recommend to the Secretary amendments to the order. The Board shall solicit, among others, research proposals that would increase the use of fluid milk and dairy products by the military and by persons in developing nations, and that would demonstrate the feasibility of converting surplus nonfat dry milk to casein for domestic and export use.

(d) The order shall provide that the Board shall develop and submit to the Secretary for approval any promotion, research, or nutrition education plan or project and that any such plan or project must be approved by the Secretary before becoming effective.

(e) BUDGETS.—

(1) PREPARATION AND SUBMISSION.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including projected costs of dairy products promotion and research projects.

(2) FOREIGN MARKET EFFORTS.—The order shall authorize the Board to expend in the maintenance and expansion of foreign markets an amount not to exceed the amount collected from United States producers for a fiscal year. Of those funds, for each of the 2002 through [2018] 2023 fiscal years, the Board's budget may provide for the expenditure of revenues available to the Board to develop international markets for, and to promote within such markets, the consumption of dairy products produced or manufactured in the United States.

(f) The order shall provide that the Board, with the approval of the Secretary, may enter into agreements for the development, and conduct of the activities authorized under the order as specified in subsection (a) and for the payment of the cost thereof with funds collected through assessments under the order. Any such agreement shall provide that (1) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project, (2) the plan or project shall become effective upon the approval of the Secretary, and (3) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, and made periodic reports to the Board of activities conducted, and such other reports as the Secretary or the Board may require.

(g) ASSESSMENTS.—

(1) The order shall provide that each person making payment to a producer for milk produced in the United States and purchased from the producer shall, in the manner as prescribed by the order, collect an assessment based upon the number of hundredweights of milk for commercial use handled for the account of the producer and remit the assessment to the Board.

(2) The assessment shall be used for payment of the expenses in administering the order, with provision for a reasonable reserve, and shall include those administrative costs incurred by the Department after an order has been promulgated under this subtitle.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment for milk produced in the United States prescribed by the order shall be 15 cents per hundredweight of milk for commercial use or the equivalent thereof, as determined by the Secretary.

(B) IMPORTED DAIRY PRODUCTS.—The rate of assessment for imported dairy products prescribed by the order shall be 7.5 cents per hundredweight of milk for commercial use or the equivalent thereof, as determined by the Secretary.

(4) A milk producer or the producer's cooperative who can establish that the producer is participating in active, ongoing qualified State or regional dairy product promotion or nutrition education programs intended to increase consumption of milk and dairy products generally shall receive credit in determining the assessment due from such producer for contributions to such programs of up to 10 cents per hundredweight of milk marketed or, for the period ending six months after the date of enactment of this Act, up to the aggregate rate in effect on the date of enactment of this Act of such contributions to such programs (but not to exceed 15 cents per hundredweight of milk marketed) if such aggregate rate exceeds 10 cents per hundredweight of milk marketed.

(5) Any person marketing milk of that person's own production directly to consumers shall remit the assessment directly to the Board in the manner prescribed by the order.

(6) IMPORTERS.—

(A) IN GENERAL.—The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

(B) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion.

(7) REFUND OF ASSESSMENTS ON CERTAIN IMPORTED PRODUCTS.—

(A) IN GENERAL.—An importer shall be entitled to a refund of any assessment paid under this subsection on imported dairy products imported under a contract entered into prior to the date of enactment of the Food, Conservation, and Energy Act of 2008.

(B) EXPIRATION.—Refunds under subparagraph (A) shall expire 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008.

(h) The order shall require the Board to (1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe, (2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and (3) account for the receipt and disbursement of all funds entrusted to it.

(i) The order shall provide that the Board, with the approval of the Secretary, may invest, pending disbursement under a plan or project, funds collected through assessments authorized under this subtitle only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

(j) The order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing governmental policy or action except as provided by subsection (c)(5).

(k) The order shall require that each importer of imported dairy products, each person receiving milk from farmers for commercial use, and any person marketing milk of that person's own production directly to consumers, maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. Such information shall be made available to the Secretary as is appropriate to the administration or enforcement of this subtitle, or any order or regulation issued under this subtitle. All information so obtained shall be kept confidential by all officers and employees of the Department, and only such information so obtained as the Secretary deems relevant may be disclosed by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was obtained. Nothing in this subsection may be deemed to prohibit (1) the issuance of general statements, based upon the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information fur-

nished by any person, or (2) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. No information obtained under the authority of this subtitle may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this subtitle and any investigatory or enforcement action necessary for the implementation of this subtitle. Any person violating the provisions of this subsection shall, upon conviction, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or both, and, if an officer or employee of the Board or the Department, shall be removed from office.

(1) The order shall provide terms and conditions, not inconsistent with the provisions of this subtitle, as necessary to effectuate the provisions of the order.

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AGRICULTURAL ACT OF 1949

* * * * *

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. (a) The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for oilseeds (including soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, *crambe*, *cottonseed*, *sesame seed*, and such other oilseeds as the Secretary may determine), honey, *dry peas*, *lentils*, *small chickpeas*, *large chickpeas*, *graded wool*, *nongraded wool*, *mohair*, *peanuts*, milk, sugar beets, and sugarcane [in accordance with this title] *consistent with the percentage levels of support provided under subsection (c), except as otherwise provided for under subsection (b).*

(b) The price of honey shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price thereof; and the price of tung nuts for each crop of tung nuts through the 1976 crop shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor: *Provided*, That in any crop year through the 1976 crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor.

(c) Except as provided in section 204, the price of milk shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. Such price support shall be provided through purchases of milk and the products of milk.

(d) [subsections (d) through (l) omitted.]

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FOOD SECURITY ACT OF 1985

* * * * *

TITLE X—GENERAL COMMODITY PROVISIONS

SEC. 1001. PAYMENT LIMITATIONS.

(a) DEFINITIONS.—In this section through section 1001F:

(1) COVERED COMMODITY.—The term “covered commodity” has the meaning given that term in [section 1001 of the Food, Conservation, and Energy Act of 2008] *section 1111 of the Agriculture and Nutrition Act of 2018*.

(2) FAMILY MEMBER.—The term “family member” means a person to whom a member in the farming operation is related as lineal ancestor, lineal descendant, sibling, *first cousin, niece, nephew*, spouse, or otherwise by marriage.

(3) LEGAL ENTITY.—The term “legal entity” means an entity that is created under Federal or State law and that—
 (A) owns land or an agricultural commodity; or
 (B) produces an agricultural commodity.

(4) PERSON.—The term “person” means a natural person, and does not include a legal entity.

(5) QUALIFIED PASS THROUGH ENTITY.—*The term “qualified pass through entity” means a partnership (within the meaning of subchapter K of chapter 1 of the Internal Revenue Code of 1986 and including a limited liability company that does not affirmatively elect to be treated as a corporation), an S corporation (as defined in section 1361 of such Code), or a joint venture.*

[(5)] (6) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(b) LIMITATION ON PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).—The total amount of payments received, directly or indirectly, by a person or legal [entity (except a joint venture or general partnership) for any crop year under sections 1116 and 1117 and as marketing loan gains or loan deficiency payments under subtitle B of title I of the Agricultural Act of 2014] *entity (except a qualified pass through entity) for any crop year under sections 1116 and 1117 of the Agriculture and Nutrition Act of 2018* (other than for peanuts) may not exceed \$125,000.

(c) LIMITATION ON PAYMENTS FOR PEANUTS.—The total amount of payments received, directly or indirectly, by a person or legal [entity (except a joint venture or general partnership) for any crop year under sections 1116 and 1117 and as marketing loan gains or loan deficiency payments under subtitle B of title I of the Agricultural Act of 2014] *entity (except a qualified pass through entity) for any crop year under sections 1116 and 1117 of the Agriculture and Nutrition Act of 2018* for peanuts may not exceed \$125,000.

(d) LIMITATION ON APPLICABILITY.—Nothing in this section authorizes any limitation on any benefit [associated with the forfeiture of a commodity pledged as collateral for a loan made avail-

able under subtitle B of title I of the Agricultural Act of 2014 or title I of the Agricultural Act of 2014.】 *associated with subtitle B of title I of the Agriculture and Nutrition Act of 2018.*

(e) **ATTRIBUTION OF PAYMENTS.**—

(1) **IN GENERAL.**—In implementing subsections (b) and (c) and a program described in paragraphs (1)(C) and (2)(B) of section 1001D(b), the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive the payments.

(2) **PAYMENTS TO A PERSON.**—Each payment made directly to a person shall be combined with the pro rata interest of the person in payments received by a legal entity in which the person has a direct or indirect ownership interest unless the payments of the legal entity have been reduced by the pro rata share of the person.

(3) **PAYMENTS TO A LEGAL ENTITY.**—

(A) **IN GENERAL.**—Each payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity unless the payment to the legal entity has been reduced by the pro rata share of the person.

(B) **ATTRIBUTION OF PAYMENTS.**—

(i) **PAYMENT LIMITS.**—Except as provided in clause (ii), payments made to a legal entity shall not exceed the amounts specified in subsections (b) and (c).

(ii) **EXCEPTION FOR 【JOINT VENTURES AND GENERAL PARTNERSHIPS】 QUALIFIED PASS THROUGH ENTITIES.**—Payments made to a 【joint venture or a general partnership】 *qualified pass through entity* shall not exceed, for each payment specified in subsections (b) and (c), the amount determined by multiplying the maximum payment amount specified in subsections (b) and (c) by the number of persons and legal entities (other than 【joint ventures and general partnerships】 *qualified pass through entities*) that comprise the ownership of the 【joint venture or general partnership】 *qualified pass through entity*.

(iii) **REDUCTION.**—Payments made to a legal entity shall be reduced proportionately by an amount that represents the direct or indirect ownership in the legal entity by any person or legal entity that has otherwise exceeded the applicable maximum payment limitation.

(4) **4 LEVELS OF ATTRIBUTION FOR EMBEDDED LEGAL ENTITIES.**—

(A) **IN GENERAL.**—Attribution of payments made to legal entities shall be traced through 4 levels of ownership in legal entities.

(B) **FIRST LEVEL.**—Any payments made to a legal entity (a first-tier legal entity) that is owned in whole or in part by a person shall be attributed to the person in an amount that represents the direct ownership in the first-tier legal entity by the person.

(C) **SECOND LEVEL.**—

(i) IN GENERAL.—Any payments made to a first-tier legal entity that is owned (in whole or in part) by another legal entity (a second-tier legal entity) shall be attributed to the second-tier legal entity in proportion to the ownership of the second-tier legal entity in the first-tier legal entity.

(ii) OWNERSHIP BY A PERSON.—If the second-tier legal entity is owned (in whole or in part) by a person, the amount of the payment made to the first-tier legal entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier legal entity by the person.

(D) THIRD AND FOURTH LEVELS.—

(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C).

(ii) FOURTH-TIER OWNERSHIP.—If the fourth-tier of ownership is that of a fourth-tier legal entity and not that of a person, the Secretary shall reduce the amount of the payment to be made to the first-tier legal entity in the amount that represents the indirect ownership in the first-tier legal entity by the fourth-tier legal entity.

(f) SPECIAL RULES.—

(1) MINOR CHILDREN.—

(A) IN GENERAL.—Except as provided in subparagraph (B), payments received by a child under the age of 18 shall be attributed to the parents of the child.

(B) REGULATIONS.—The Secretary shall issue regulations specifying the conditions under which payments received by a child under the age of 18 will not be attributed to the parents of the child.

(2) MARKETING COOPERATIVES.—Subsections (b) and (c) shall not apply to a cooperative association of producers with respect to commodities produced by the members of the association that are marketed by the association on behalf of the members of the association but shall apply to the producers as persons.

(3) TRUSTS AND ESTATES.—

(A) IN GENERAL.—With respect to irrevocable trusts and estates, the Secretary shall administer this section through section 1001F in such manner as the Secretary determines will ensure the fair and equitable treatment of the beneficiaries of the trusts and estates.

(B) IRREVOCABLE TRUST.—

(i) IN GENERAL.—In order for a trust to be considered an irrevocable trust, the terms of the trust agreement shall not—

(I) allow for modification or termination of the trust by the grantor;

(II) allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust; or

(III) except as provided in clause (ii), provide for the transfer of the corpus of the trust to the re-

remainder beneficiary in less than 20 years beginning on the date the trust is established.

(ii) EXCEPTION.—Clause (i)(III) shall not apply in a case in which the transfer is—

(I) contingent on the remainder beneficiary achieving at least the age of majority; or

(II) contingent on the death of the grantor or income beneficiary.

(C) REVOCABLE TRUST.—For the purposes of this section through section 1001F, a revocable trust shall be considered to be the same person as the grantor of the trust.

(4) CASH RENT TENANTS.—

(A) DEFINITION.—In this paragraph, the term “cash rent tenant” means a person or legal entity that rents land—

(i) for cash; or

(ii) for a crop share guaranteed as to the amount of the commodity to be paid in rent.

(B) RESTRICTION.—A cash rent tenant who makes a significant contribution of active personal management, but not of personal labor, with respect to a farming operation shall be eligible to receive a payment described in subsection (b) or (c) only if the tenant makes a significant contribution of equipment to the farming operation.

(5) FEDERAL AGENCIES.—

(A) IN GENERAL.—Notwithstanding subsection (d), a Federal agency shall not be eligible to receive any payment, benefit, or loan under title I of the Food, Conservation, and Energy Act of 2008, title I of the Agricultural Act of 2014, [or title XII] *title I of the Agriculture and Nutrition Act of 2018, or title XII* of this Act.

(B) LAND RENTAL.—A lessee of land owned by a Federal agency may receive a payment described in subsection (b), (c), or (d) if the lessee otherwise meets all applicable criteria.

(6) STATE AND LOCAL GOVERNMENTS.—

(A) IN GENERAL.—Notwithstanding subsection (d), except as provided in subsection (g), a State or local government, or political subdivision or agency of the government, shall not be eligible to receive any payment, benefit, or loan under title I of the Food, Conservation, and Energy Act of 2008, title I of the Agricultural Act of 2014, [or title XII] *title I of the Agriculture and Nutrition Act of 2018, or title XII* of this Act.

(B) TENANTS.—A lessee of land owned by a State or local government, or political subdivision or agency of the government, may receive payments described in subsections (b), (c), and (d) if the lessee otherwise meets all applicable criteria.

(7) CHANGES IN FARMING OPERATIONS.—

(A) IN GENERAL.—In the administration of this section through section 1001F, the Secretary may not approve any change in a farming operation that otherwise will increase the number of persons to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

(B) FAMILY MEMBERS.—The addition of a family member to a farming operation under the criteria set out in section 1001A shall be considered a bona fide and substantive change in the farming operation.

(8) DEATH OF OWNER.—

(A) IN GENERAL.—If any ownership interest in land or a commodity is transferred as the result of the death of a program participant, the new owner of the land or commodity may, if the person is otherwise eligible to participate in the applicable program, succeed to the contract of the prior owner and receive payments subject to this section without regard to the amount of payments received by the new owner.

(B) LIMITATIONS ON PRIOR OWNER.—Payments made under this paragraph shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner.

(9) ADMINISTRATION OF REDUCTION.—*The Secretary shall apply any order described in section 1614(d)(1) of the Agricultural Act of 2014 (7 U.S.C. 9097(d)(1)) to payments under sections 1116 and 1117 of the Agriculture and Nutrition Act of 2018 prior to applying payment limitations under this section.*

(g) PUBLIC SCHOOLS.—

(1) IN GENERAL.—Notwithstanding subsection (f)(6)(A), a State or local government, or political subdivision or agency of the government, shall be eligible, subject to the limitation in paragraph (2), to receive a payment described in subsection (b) or (c) for land owned by the State or local government, or political subdivision or agency of the government, that is used to maintain a public school.

(2) LIMITATION.—

(A) IN GENERAL.—For each State, the total amount of payments described in subsections (b) and (c) that are received collectively by the State and local government and all political subdivisions or agencies of those governments shall not exceed \$500,000.

(B) EXCEPTION.—The limitation in subparagraph (A) shall not apply to States with a population of less than 1,500,000.”.

(h) TIME LIMITS; RELIANCE.—Regulations of the Secretary shall establish time limits for the various steps involved with notice, hearing, decision, and the appeals procedure in order to ensure expeditious handling and settlement of payment limitation disputes. Notwithstanding any other provision of law, actions taken by an individual or other entity in good faith on action or advice of an authorized representative of the Secretary may be accepted as meeting the requirement under this section or section 1001A, to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.

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SEC. 1001C. FOREIGN PERSONS MADE INELIGIBLE FOR PROGRAM BENEFITS.

Notwithstanding any other provision of law:

(a) **IN GENERAL.**—Any person who is not a citizen of the United States or an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) shall be ineligible to receive any type of loans or payments made available under title I of the Food, Conservation, and Energy Act of 2008, title I of the Agricultural Act of 2014, *title I of the Agriculture and Nutrition Act of 2018*, the Agricultural Market Transition Act, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), or under any contract entered into under title XII, with respect to any commodity produced, or land set aside from production, on a farm that is owned or operated by such person, unless such person is an individual who is providing land, capital, and a substantial amount of personal labor in the production of crops on such farm.

(b) **CORPORATION OR OTHER ENTITIES.**—For purposes of subsection (a), a corporation or other entity shall be considered a person that is ineligible for production adjustment payments, price support program loans, payments, or benefits if more than 10 percent of the beneficial ownership of the entity is held by persons who are not citizens of the United States or aliens lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act, unless such persons provide a substantial amount of personal labor in the production of crops on such farm. Notwithstanding the foregoing provisions of this subsection, with respect to an entity that is determined to be ineligible to receive such payments, loans, or other benefits, the Secretary may make payments, loans, and other benefits in an amount determined by the Secretary to be representative of the percentage interests of the entity that is owned by citizens of the United States and aliens lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act.

(c) **PROSPECTIVE APPLICATION.**—No person shall become ineligible under this section for production adjustment payments, price support program loans, payments or benefits as the result of the production of a crop of an agricultural commodity planted, or commodity program or conservation reserve contract entered into, before, the date of the enactment of this section.

SEC. 1001D. ADJUSTED GROSS INCOME LIMITATION.

(a) **DEFINITIONS.**—

(1) **AVERAGE ADJUSTED GROSS INCOME.**—In this section, the term “average adjusted gross income”, with respect to a person or legal entity, means the average of the adjusted gross income or comparable measure of the person or legal entity over the 3 taxable years preceding the most immediately preceding complete taxable year, as determined by the Secretary.

(2) **SPECIAL RULES FOR CERTAIN PERSONS AND LEGAL ENTITIES.**—In the case of a legal entity that is not required to file a Federal income tax return or a person or legal entity that did not have taxable income in 1 or more of the taxable years used to determine the average under paragraph (1), the Secretary shall provide, by regulation, a method for determining the average adjusted gross income of the person or legal entity for purposes of this section.

(3) ALLOCATION OF INCOME.—On the request of any person filing a joint tax return, the Secretary shall provide for the allocation of average adjusted gross income among the persons filing the return if—

(A) the person provides a certified statement by a certified public accountant or attorney that specifies the method by which the average adjusted gross income would have been declared and reported had the persons filed 2 separate returns; and

(B) the Secretary determines that the method described in the statement is consistent with the information supporting the filed joint tax return.

(b) LIMITATIONS ON COMMODITY AND CONSERVATION PROGRAMS.—

(1) LIMITATION.—Notwithstanding any other provision of law, *subject to paragraph (3)*, a person or legal entity shall not be eligible to receive any benefit described in paragraph (2) during a crop, fiscal, or program year, as appropriate, if the average adjusted gross income of the person or legal entity exceeds \$900,000.

(2) COVERED BENEFITS.—Paragraph (1) applies with respect to the following:

(A) A payment or benefit under subtitle A or E of [title I of the Agricultural Act of 2014] *title I of the Agricultural and Nutrition Act of 2018*.

[(B) A marketing loan gain or loan deficiency payment under subtitle B of title I of the Agricultural Act of 2014.

[(C) Starting with fiscal year 2015, a] (B) A payment or benefit under *title II of the Agriculture and Nutrition Act of 2018*, title II of the Agricultural Act of 2014, title II of the Farm Security and Rural Investment Act of 2002, title II of the Food, Conservation, and Energy Act of 2008, or title XII of the Food Security Act of 1985.

[(D) A payment or benefit under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)).

[(E)] (C) A payment or benefit under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(3) EXCEPTIONS.—

(A) EXCEPTION FOR QUALIFIED PASS THROUGH ENTITIES.—*Paragraph (1) shall not apply with respect to a qualified pass through entity (as such term is defined in section 1001(a)(5)).*

(B) WAIVER.—*The Secretary may waive the limitation established by paragraph (1) with respect to a payment pursuant to a covered benefit described in paragraph (2)(B), on a case-by-case basis, if the Secretary determines that environmentally sensitive land of special significance would be protected as a result of such waiver.*

(c) ENFORCEMENT.—

(1) IN GENERAL.—To comply with subsection (b), at least once every 3 years a person or legal entity shall provide to the Secretary—

(A) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the person or legal

entity does not exceed the applicable limitation specified in that subsection; or

(B) information and documentation regarding the average adjusted gross income of the person or legal entity through other procedures established by the Secretary.

(2) DENIAL OF PROGRAM BENEFITS.—If the Secretary determines that a person or legal entity has failed to comply with this section, the Secretary shall deny the issuance of applicable payments and benefits specified in subsection (b)(2) to the person or legal entity, under similar terms and conditions as described in section 1001B.

(3) AUDIT.—The Secretary shall establish statistically valid procedures under which the Secretary shall conduct targeted audits of such persons or legal entities as the Secretary determines are most likely to exceed the limitations under subsection (b).

(d) COMMENSURATE REDUCTION.—In the case of a payment or benefit described in subsection (b)(2) made in a crop, program, or fiscal year, as appropriate, to an entity[, general partnership, or joint venture], the amount of the payment or benefit shall be reduced by an amount that is commensurate with the direct and indirect ownership interest in the entity[, general partnership, or joint venture] of each person who has an average adjusted gross income in excess of the applicable limitation specified in subsection (b).

* * * * *

TITLE XI—TRADE

Subtitle A—Public Law 480 and Use of Surplus Commodities in International Programs

* * * * *

FOOD FOR PROGRESS

SEC. 1110. (a) This section may be cited as the “Food for Progress Act of 1985”.

(b) DEFINITIONS.—In this section:

(1) COOPERATIVE.—The term “cooperative” has the meaning given the term in section 402 of the Food for Peace Act (7 U.S.C. 1732).

(2) CORPORATION.—The term “Corporation” means the Commodity Credit Corporation.

(3) DEVELOPING COUNTRY.—The term “developing country” has the meaning given the term in section 402 of the Food for Peace Act (7 U.S.C. 1732).

(4) ELIGIBLE COMMODITY.—The term “eligible commodity” means an agricultural commodity, or a product of an agricultural commodity, in inventories of the Corporation or acquired by the President or the Corporation for disposition through commercial purchases under a program authorized under this section.

(5) ELIGIBLE ENTITY.—The term “eligible entity” means—
 (A) the government of an emerging agricultural country;
 (B) an intergovernmental organization;

- (C) a private voluntary organization;
- (D) a nonprofit agricultural organization or cooperative;
- (E) a nongovernmental organization; **[and]**

(F) a college or university (as such terms are defined in section 1404(4) of the Food and Agriculture Act of 1977 (7 U.S.C. 3103(4)); and

[(F)] (G) any other private entity.

(6) **FOOD SECURITY.**—The term “food security” means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

(7) **NONGOVERNMENTAL ORGANIZATION.**—The term “nongovernmental organization” has the meaning given the term in section 402 of the Food for Peace Act (7 U.S.C. 1732).

(8) **PRIVATE VOLUNTARY ORGANIZATION.**—The term “private voluntary organization” has the meaning given the term in section 402 of the Food for Peace Act (7 U.S.C. 1732).

(9) **PROGRAM.**—The term “program” means a food assistance or development initiative proposed by an eligible entity and approved by the President under this section.

(c) **PROGRAM.**—In order to use the food resources of the United States more effectively in support of developing countries, and countries that are emerging democracies that have made commitments to introduce or expand free enterprise elements in their agricultural economies through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement, the President shall enter into agreements with eligible entities to furnish to the countries eligible commodities made available under subsections (e) and (f).

(d) **CONSIDERATION FOR AGREEMENTS.**—In determining whether to enter into an agreement under this section, the President shall consider whether a potential recipient country is committed to carry out, or is carrying out, policies that promote economic freedom, private, domestic production of eligible commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such eligible commodities. Such policies may provide for, among other things—

(1) access, on the part of farmers in the country, to private, competitive markets for their products;

(2) market pricing of eligible commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the country’s domestic needs;

(3) establishment of market-determined foreign exchange rates;

(4) timely availability of production inputs (such as seed, fertilizer, or pesticides) to farmers;

(5) access to technologies appropriate to the level of agricultural development in the country; and

(6) construction of facilities and distribution systems necessary to handle perishable products.

(e) **FUNDING OF ELIGIBLE COMMODITIES.**—(1) The Corporation shall make available to the President such eligible commodities as the President may request for purposes of furnishing eligible commodities under this section.

(2) Notwithstanding any other provision of law, the Corporation may use funds appropriated to carry out title I of the Food for

Peace Act in carrying out this section with respect to eligible commodities made available under that Act, and subsection (g) does not apply to eligible commodities furnished on a grant basis or on credit terms under that title.

(3) The Corporation may finance the sale and exportation of eligible commodities, made available under the Food for Peace Act, which are furnished under this section. Payment for eligible commodities made available under that Act which are purchased on credit terms under this section shall be on the same basis as the terms provided in section 106 of that Act.

(4) In the case of eligible commodities made available under the Food for Peace Act for purposes of this section, section 406 of that Act shall apply to eligible commodities furnished on a grant basis under this section and sections 402, 403(a), 403(c), and 403(i) of that Act shall apply to all eligible commodities furnished under this section.

(5) NO EFFECT ON DOMESTIC PROGRAMS.—The President shall not make an eligible commodity available for disposition under this section in any amount that will reduce the amount of the eligible commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the President.

(f) PROVISION OF ELIGIBLE COMMODITIES TO DEVELOPING COUNTRIES.—(1) The Corporation may provide for—

(A) grants, or

(B) sales on credit terms,

of eligible commodities made available under section 416(b) of the Agricultural Act of 1949 for use in carrying out this section.

(2) In carrying out section 416(b) of the Agricultural Act of 1949, the Corporation may purchase eligible commodities for use under this section if—

(A) the Corporation does not hold stocks of such eligible commodities; or

(B) Corporation stocks are insufficient to satisfy commitments made in agreements entered into under this section and such eligible commodities are needed to fulfill such commitments.

(3) No funds of the Corporation in excess of \$40,000,000 (exclusive of the cost of eligible commodities) may be used for each of fiscal years 1996 through **[2018]** 2023 to carry out this section with respect to eligible commodities made available under section 416(b) of the Agricultural Act of 1949 unless authorized in advance in appropriation Acts.

(4) The cost of eligible commodities made available under section 416(b) of the Agricultural Act of 1949 which are furnished under this section, and the expenses incurred in connection with furnishing such eligible commodities, shall be in addition to the level of assistance programmed under the Food for Peace Act and may not be considered expenditures for international affairs and finance.

(5) SALE PROCEDURE.—In making sales of eligible commodities under this section, the Secretary shall follow the sale procedure described in section 403(l) of the Food for Peace Act.

(g) MINIMUM TONNAGE.—Subject to subsection (f)(3), not less than 400,000 metric tons of eligible commodities may be provided

under this section for the program for each of fiscal years 2002 through **[2018]** 2023.

(h) PROHIBITION ON RESALE OR TRANSSHIPMENT OF ELIGIBLE COMMODITIES.—An agreement entered into under this section shall prohibit the resale or transshipment of the eligible commodities provided under the agreement to other countries.

(i) DISPLACEMENT OF UNITED STATES COMMERCIAL SALES.—In entering into agreements under this section, the President shall take reasonable steps to avoid displacement of any sales of United States commodities that would otherwise be made to such countries.

(j) MULTICOUNTRY OR MULTIYEAR BASIS.—

(1) IN GENERAL.—In carrying out this section, the President, on request and subject to the availability of eligible commodities, is encouraged to approve agreements that provide for eligible commodities to be made available for distribution or sale by the recipient on a multicountry or multiyear basis if the agreements otherwise meet the requirements of this section.

(2) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—Before the beginning of any fiscal year, the President shall, to the maximum extent practicable—

(A) make all determinations concerning program agreements and resource requests for programs under this section; and

(B) announce those determinations.

(3) REPORT.—Not later than December 1 of each fiscal year, the President shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and eligible commodities, and the total amount of funds for transportation and administrative costs, approved to date for the fiscal year under this section.

(k) EFFECTIVE AND TERMINATION DATES.—This section shall be effective during the period beginning October 1, 1985, and ending December 31, **[2018]** 2023.

(1) ADMINISTRATIVE EXPENSES.—(1) To enhance the development of private sector agriculture in countries receiving assistance under this section the President may, in each of the fiscal years 1996 through **[2018]** 2023, use in addition to any amounts or eligible commodities otherwise made available under this section for such activities, not to exceed \$15,000,000 (or, in the case of fiscal year 1999, \$12,000,000) of Corporation funds (or eligible commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs, and to provide technical assistance for monetization programs, to strengthen private sector agriculture in recipient countries.

(2) To carry out this subsection, the President may provide eligible commodities under agreements entered into under this section in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such eligible commodities.

(3) The President may use the assistance provided under this subsection and proceeds derived from the sale of eligible commod-

ities under paragraph (2) to design, monitor, and administer activities undertaken with such assistance, for the purpose of strengthening or creating the capacity of recipient country private enterprises to undertake commercial transactions, with the overall goal of increasing potential markets for United States agricultural eligible commodities.

(4) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds to pay the costs incurred by an eligible entity under this section for—

(A)(i) programs targeted at hunger and malnutrition; or
(ii) development programs involving food security;

(B) transportation, storage, and distribution of eligible commodities provided under this section; and

(C) administration, sales, monitoring, and technical assistance.

(m) PRESIDENTIAL APPROVAL.—In carrying out this section, the President shall approve, as determined appropriate by the President, agreements with agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives that provide for—

(1) the sale of eligible commodities, including the marketing of these eligible commodities through the private sector; and

(2) the use of the proceeds generated in the humanitarian and development programs of such agricultural trade organizations, intergovernmental organizations, private voluntary organizations, and cooperatives.

(n) PROGRAM MANAGEMENT.—

(1) IN GENERAL.—The President shall ensure, to the maximum extent practicable, that each eligible entity participating in 1 or more programs under this section—

(A) uses eligible commodities made available under this section—

(i) in an effective manner;

(ii) in the areas of greatest need; and

(iii) in a manner that promotes the purposes of this section;

(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized under this section; and

(D) monitors and reports on the distribution or sale of eligible commodities provided under this section using methods that, as determined by the President, facilitate accurate and timely reporting.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Not later than 270 days after the date of enactment of this paragraph, the President shall review and, as necessary, make changes in regulations and internal procedures designed to streamline, improve, and clarify the application, approval, and implementation processes pertaining to agreements under this section.

(B) CONSIDERATIONS.—In conducting the review, the President shall consider—

- (i) revising procedures for submitting proposals;
- (ii) developing criteria for program approval that separately address the objectives of the program;
- (iii) pre-screening organizations and proposals to ensure that the minimum qualifications are met;
- (iv) implementing e-government initiatives and otherwise improving the efficiency of the proposal submission and approval processes;
- (v) upgrading information management systems;
- (vi) improving commodity and transportation procurement processes; and
- (vii) ensuring that evaluation and monitoring methods are sufficient.

(C) CONSULTATIONS.—Not later than 1 year after the date of enactment of this paragraph, the President shall consult with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on changes made in regulations and procedures.

(3) REPORTS.—Each eligible entity that enters into an agreement under this section shall submit to the President, at such time as the President may request, a report containing such information as the President may request relating to the use of eligible commodities and funds furnished to the eligible entity under this section.

(o) PRIVATE VOLUNTARY ORGANIZATIONS AND OTHER PRIVATE ENTITIES.—In entering into agreements described in subsection (c), the President (acting through the Secretary)—

- (1) shall enter into agreements with eligible entities described in subparagraphs (C) and ~~[(F)]~~ (G) of subsection (b)(5); and
- (2) shall not discriminate against such eligible entities.

* * * * *

TITLE XII—CONSERVATION

* * * * *

Subtitle C—Wetland Conservation

SEC. 1221. PROGRAM INELIGIBILITY.

(a) PRODUCTION ON CONVERTED WETLAND.—Except as provided in this subtitle and notwithstanding any other provision of law, any person who in any crop year produces an agricultural commodity on converted wetland, as determined by the Secretary, shall be—

- (1) in violation of this section; and
- (2) ineligible for loans or payments in an amount determined by the Secretary to be proportionate to the severity of the violation.

(b) INELIGIBILITY FOR CERTAIN LOANS AND PAYMENTS.—If a person is determined to have committed a violation under subsection (a) during a crop year, the Secretary shall determine which of, and

the amount of, the following loans and payments for which the person shall be ineligible:

(1) Contract payments under a production flexibility contract, marketing assistance loans, and any type of price support or payment made available under the Agricultural Market Transition Act, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act.

(2) A loan made or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Consolidated Farm Service Agency, if the Secretary determines that the proceeds of the loan will be used for a purpose that will contribute to conversion of a wetland (other than as provided in this subtitle) to produce an agricultural commodity.

(3) During the crop year:

(A) A payment made pursuant to a contract entered into under the environmental quality incentives program under chapter 4 of subtitle D.

(B) A payment under any other provision of subtitle D.

(C) A payment under section 401 or 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 and 2202).

(D) A payment, loan, or other assistance under section 3 or 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 and 1006a).

(c) INELIGIBILITY FOR CROP INSURANCE PREMIUM ASSISTANCE.—

(1) REQUIREMENTS.—

(A) IN GENERAL.—If a person is determined to have committed a violation under subsection (a) or (d) during a crop year, the person shall be ineligible to receive any payment of any portion of premium paid by the Federal Crop Insurance Corporation for a plan or policy of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) pursuant to this subsection.

(B) APPLICABILITY.—Ineligibility under this subsection shall—

(i) only apply to reinsurance years subsequent to the date of a final determination of a violation, including all administrative appeals; and

(ii) not apply to the existing reinsurance year or any reinsurance year prior to the date of the final determination.

(2) CONVERSIONS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), ineligibility for crop insurance premium assistance shall apply in accordance with this paragraph.

(B) NEW CONVERSIONS.—In the case of a wetland that the Secretary determines was converted after the date of enactment of the Agricultural Act of 2014—

(i) the person shall be ineligible to receive crop insurance premium subsidies in subsequent reinsurance years unless the Secretary determines that an exemption pursuant to section 1222 applies; or

(ii) for any violation that the Secretary determines impacts less than 5 acres of an entire farm, the person may pay a contribution in an amount equal to 150 per-

cent of the cost of mitigation, as determined by the Secretary, to the fund described in section **1241(f)** *1241(e)* for wetland restoration in lieu of ineligibility to receive crop insurance premium assistance.

(C) **PRIOR CONVERSIONS.**—In the case of a wetland that the Secretary determines was converted prior to the date of enactment of the Agricultural Act of 2014, ineligibility under this subsection shall not apply.

(D) **CONVERSIONS AND NEW POLICIES OR PLANS OF INSURANCE.**—In the case of an agricultural commodity for which an individual policy or plan of insurance is available for the first time to the person after the date of enactment of the Agricultural Act of 2014—

(i) ineligibility shall apply only to conversions that take place after the date on which the policy or plan of insurance first becomes available to the person; and

(ii) the person shall take such steps as the Secretary determines appropriate to mitigate any prior conversion in a timely manner but not to exceed 2 reinsurance years.

(3) **LIMITATIONS.**—

(A) **MITIGATION REQUIRED.**—Except as otherwise provided in this paragraph, a person subject to a final determination, including all administrative appeals, of a violation described in subsection (d) shall have 1 reinsurance year to initiate a mitigation plan to remedy the violation, as determined by the Secretary, before becoming ineligible under this subsection in the following reinsurance year to receive any payment of any portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(B) **PERSONS COVERED FOR THE FIRST TIME.**—Notwithstanding the requirements of paragraph (1), in the case of a person that is subject to this subsection for the first time solely due to the amendment made by section 2611(b) of the Agricultural Act of 2014, the person shall have 2 reinsurance years after the reinsurance year in which a final determination is made, including all administrative appeals, of a violation described in this subsection to take such steps as the Secretary determines appropriate to remedy or mitigate the violation in accordance with this subsection.

(C) **GOOD FAITH.**—If the Secretary determines that a person subject to a final determination, including all administrative appeals, of a violation described in this subsection acted in good faith and without intent to commit a violation described in this subsection as described in section 1222(h), the person shall have 2 reinsurance years to take such steps as the Secretary determines appropriate to remedy or mitigate the violation in accordance with this subsection.

(D) **TENANT RELIEF.**—

(i) **IN GENERAL.**—If a tenant is determined to be ineligible for payments and other benefits under this

subsection, the Secretary may limit the ineligibility only to the farm that is the basis for the ineligibility determination if the tenant has established, to the satisfaction of the Secretary that—

(I) the tenant has made a good faith effort to meet the requirements of this section, including enlisting the assistance of the Secretary to obtain a reasonable plan for restoration or mitigation for the farm;

(II) the landlord on the farm refuses to comply with the plan on the farm; and

(III) the Secretary determines that the lack of compliance is not a part of a scheme or device to avoid the compliance.

(ii) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report concerning the ineligibility determinations limited during the previous 12-month period under this subparagraph.

(E) CERTIFICATE OF COMPLIANCE.—

(i) IN GENERAL.—Beginning with the first full reinsurance year immediately following the date of enactment of this paragraph, all persons seeking eligibility for the payment of a portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) shall provide certification of compliance with this section as determined by the Secretary.

(ii) TIMELY EVALUATION.—The Secretary shall evaluate the certification in a timely manner and—

(I) a person who has properly complied with certification shall be held harmless with regard to eligibility during the period of evaluation; and

(II) if the Secretary fails to evaluate the certification in a timely manner and the person is subsequently found to be in violation of this subsection, ineligibility shall not apply to the person for that violation.

(iii) EQUITABLE CONTRIBUTION.—

(I) IN GENERAL.—If a person fails to notify the Secretary as required and is subsequently found to be in violation of this subsection, the Secretary shall—

(aa) determine the amount of an equitable contribution to conservation by the person for the violation; and

(bb) deposit the contribution in the fund described in section [1241(f)] 1241(e).

(II) LIMITATION.—The contribution shall not exceed the total of the portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance for all years the person

is determined to have been in violation subsequent to the date on which certification was first required under this subparagraph.

(4) DUTIES OF THE SECRETARY.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall use existing processes and procedures for certifying compliance.

(B) RESPONSIBILITY.—The Secretary, acting through the agencies of the Department of Agriculture, shall be solely responsible for determining whether a producer is eligible to receive crop insurance premium subsidies in accordance with this subsection.

(C) LIMITATION.—The Secretary shall ensure that no agent, approved insurance provider, or employee or contractor of an agency or approved insurance provider, bears responsibility or liability for the eligibility of an insured producer under this subsection, other than in cases of misrepresentation, fraud, or scheme and device.

(d) WETLAND CONVERSION.—**[Except as provided]**

(A) IN GENERAL.—*Except as provided* in section 1222 and notwithstanding any other provision of law, any person who in any crop year beginning after November 28, 1990, converts a wetland by draining, dredging, filling, leveling, or any other means for the purpose, or to have the effect, of making the production of an agricultural commodity possible on such converted wetland shall be ineligible for those payments, loans, or programs specified in subsection (b) for that crop year and all subsequent crop years.

(B) DUTY OF THE SECRETARY.—*Before determining that a person is ineligible for program benefits under this subsection, the Secretary shall determine that no exemption under section 1222 applies.*

(e) PRIOR LOANS.—This section shall not apply to a loan described in subsection (b) made before December 23, 1985.

(f) WETLAND.—The Secretary shall have, and shall not delegate to any private person or entity, authority to determine whether a person has complied with this subtitle.

SEC. 1222. DELINEATION OF WETLANDS; EXEMPTIONS.

(a) DELINEATION BY THE SECRETARY.—

(1) IN GENERAL.—Subject to subsection (b) and paragraph (6), the Secretary shall delineate, determine, and certify all wetlands located on subject land on a farm.

(2) WETLAND DELINEATION MAPS.—The Secretary shall delineate wetlands on wetland delineation maps. On the request of a person, the Secretary shall make a reasonable effort to make an on-site wetland determination prior to delineation.

(3) CERTIFICATION.—On providing notice to affected persons, the Secretary shall—

(A) certify whether a map is sufficient for the purpose of making a determination of ineligibility for program benefits under section 1221; and

(B) provide an opportunity to appeal the certification prior to the certification becoming final.

(4) DURATION OF CERTIFICATION.—A final certification made under paragraph (3) shall remain valid and in effect as long as

the area is devoted to an agricultural use or until such time as the person affected by the certification requests review of the certification by the Secretary.

(5) REVIEW OF MAPPING ON APPEAL.—In the case of an appeal of the Secretary's certification, the Secretary shall review and certify the accuracy of the mapping of all land subject to the appeal to ensure that the subject land has been accurately delineated. Prior to rendering a decision on the appeal, the Secretary shall conduct an on-site inspection of the subject land on a farm.

(6) RELIANCE ON PRIOR CERTIFIED DELINEATION.—No person shall be adversely affected because of having taken an action based on a previous certified wetland delineation by the Secretary. The delineation shall not be subject to a subsequent wetland certification or delineation by the Secretary, unless requested by the person under paragraph (4).

(b) EXEMPTIONS.—No person shall become ineligible under section 1221 for program loans or payments under the following circumstances:

(1) As the result of the production of an agricultural commodity on the following lands:

(A) A converted wetland if the conversion of the wetland was commenced before December 23, 1985.

(B) Land that is a nontidal drainage or irrigation ditch excavated in upland.

(C) A wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation.

(D) A wetland on which the owner or operator of a farm or ranch uses normal cropping or ranching practices to produce an agricultural commodity in a manner that is consistent for the area where the production is possible as a result of a natural condition, such as drought, and is without action by the producer that destroys a natural wetland characteristic.

(E) Land that is an artificial lake or pond created by excavating or diking land (that is not a wetland) to collect and retain water and that is used primarily for livestock watering, fish production, irrigation, wildlife, fire control, flood control, cranberry growing, or rice production, or as a settling pond.

(F) A wetland that is temporarily or incidentally created as a result of adjacent development activity.

(G) A converted wetland if the original conversion of the wetland was commenced before December 23, 1985, and the Secretary determines the wetland characteristics returned after that date as a result of—

(i) the lack of maintenance of drainage, dikes, levees, or similar structures;

(ii) a lack of management of the lands containing the wetland; or

(iii) circumstances beyond the control of the person.

(H) A converted wetland, if—

(i) the converted wetland was determined by the Natural Resources Conservation Service to have been

manipulated for the production of an agricultural commodity or forage prior to December 23, 1985, and was returned to wetland conditions through a voluntary restoration, enhancement, or creation action subsequent to that determination;

(ii) technical determinations regarding the prior site conditions and the restoration, enhancement, or creation action have been adequately documented by the Natural Resources Conservation Service;

(iii) the proposed conversion action is approved by the Natural Resources Conservation Service prior to implementation; and

(iv) the extent of the proposed conversion is limited so that the conditions will be at least equivalent to the wetland functions and values that existed prior to implementation of the voluntary wetland restoration, enhancement, or creation action.

(2) For the conversion of the following:

(A) An artificial lake or pond created by excavating or diking land that is not a wetland to collect and retain water and that is used primarily for livestock watering, fish production, irrigation, wildlife, fire control, flood control, cranberry growing, rice production, or as a settling pond.

(B) A wetland that is temporarily or incidentally created as a result of adjacent development activity.

(C) A wetland on which the owner or operator of a farm or ranch uses normal cropping or ranching practices to produce an agricultural commodity in a manner that is consistent for the area where the production is possible as a result of a natural condition, such as drought, and is without action by the producer that destroys a natural wetland characteristic.

(D) A wetland previously identified as a converted wetland (if the original conversion of the wetland was commenced before December 23, 1985), but that the Secretary determines returned to wetland status after that date as a result of—

(i) the lack of maintenance of drainage, dikes, levees, or similar structures;

(ii) a lack of management of the lands containing the wetland; or

(iii) circumstances beyond the control of the person.

(E) A wetland, if—

(i) the wetland was determined by the Natural Resources Conservation Service to have been manipulated for the production of an agricultural commodity or forage prior to December 23, 1985, and was returned to wetland conditions through a voluntary restoration, enhancement, or creation action subsequent to that determination;

(ii) technical determinations regarding the prior site conditions and the restoration, enhancement, or creation action have been adequately documented by the Natural Resources Conservation Service;

(iii) the proposed conversion action is approved by the Natural Resources Conservation Service prior to implementation; and

(iv) the extent of the proposed conversion is limited so that the conditions will be at least equivalent to the wetland functions and values that existed prior to implementation of the voluntary wetland restoration, enhancement, or creation action.

(c) ON-SITE INSPECTION REQUIREMENT.—No program loans, payments, or benefits shall be withheld from a person under this subtitle unless the Secretary has conducted an on-site visit of the subject land.

(d) IDENTIFICATION OF MINIMAL EFFECT EXEMPTIONS.—For purposes of applying the minimal effect exemption under subsection (f)(1), *not later than 180 days after the date of enactment of the Agriculture and Nutrition Act of 2018*, the Secretary shall identify by regulation categorical minimal effect exemptions on a regional basis to assist persons in avoiding a violation of the ineligibility provisions of section 1221. The Secretary shall ensure that employees of the Department of Agriculture who administer this subtitle receive appropriate training to properly apply the minimal effect exemptions determined by the Secretary.

(e) NONWETLANDS.—The Secretary shall exempt from the ineligibility provisions of section 1221 any action by a person upon lands in any case in which the Secretary determines that any one of the following does not apply with respect to such lands:

(1) Such lands have a predominance of hydric soils.

(2) Such lands are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

(3) Such lands, under normal circumstances, support a prevalence of such vegetation.

(f) MINIMAL EFFECT; MITIGATION.—The Secretary shall exempt a person from the ineligibility provisions of section 1221 for any action associated with the production of an agricultural commodity on a converted wetland, or the conversion of a wetland, if 1 or more of the following conditions apply, as determined by the Secretary:

(1) The action, individually and in connection with all other similar actions authorized by the Secretary in the area, will have a minimal effect on the functional hydrological and biological value of the wetlands in the area, including the value to waterfowl and wildlife.

(2) The wetland and the wetland values, acreage, and functions are mitigated by the person through the restoration of a converted wetland, the enhancement of an existing wetland, or the creation of a new wetland, and the restoration, enhancement, or creation is—

(A) in accordance with a wetland conservation plan;

(B) in advance of, or concurrent with, the action;

(C) not at the expense of the Federal Government;

(D) in the case of enhancement or restoration of wetlands, on not greater than a 1-for-1 acreage basis unless more acreage is needed to provide equivalent functions and

values that will be lost as a result of the wetland conversion to be mitigated;

(E) in the case of creation of wetlands, on greater than a 1-for-1 acreage basis if more acreage is needed to provide equivalent functions and values that will be lost as a result of the wetland conversion that is mitigated;

(F) on lands in the same general area of the local watershed as the converted wetland; and

(G) with respect to the restored, enhanced, or created wetland, made subject to an easement that—

(i) is recorded on public land records;

(ii) remains in force for as long as the converted wetland for which the restoration, enhancement, or creation to be mitigated remains in agricultural use or is not returned to its original wetland classification with equivalent functions and values; and

(iii) prohibits making alterations to the restored, enhanced, or created wetland that lower the wetland's functions and values.

(3) The wetland was converted after December 23, 1985, but before November 28, 1990, and the wetland values, acreage, and functions are mitigated by the producer through the requirements of subparagraphs (A), (B), (C), (D), (F), and (G) of paragraph (2).

(4) The action was authorized by a permit issued under section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) and the wetland values, acreage, and functions of the converted wetland were adequately mitigated for the purposes of this subtitle.

(g) MITIGATION APPEALS.—A person shall be afforded the right to appeal, under section 1243, the imposition of a mitigation agreement requiring greater than one-to-one acreage mitigation to which the person is subject.

(h) GOOD FAITH EXEMPTION.—

(1) EXEMPTION DESCRIBED.—The Secretary may waive a person's ineligibility under section 1221 for program loans, payments, and benefits as the result of the conversion of a wetland subsequent to November 28, 1990, or the production of an agricultural commodity on a converted wetland, if the Secretary determines that the person has acted in good faith and without intent to violate this subtitle.

(2) ELIGIBLE REVIEWERS.—A determination of the Secretary, or a designee of the Secretary, under paragraph (1) shall be reviewed by the applicable—

(A) State Executive Director, with the technical concurrence of the State Conservationist; or

(B) district director, with the technical concurrence of the area conservationist.

(3) PERIOD FOR COMPLIANCE.—The Secretary shall provide a person who the Secretary determines has acted in good faith and without intent to violate this subtitle with a reasonable period, but not to exceed 1 year, during which to implement the measures and practices necessary to be considered to be actively restoring the subject wetland.

(i) RESTORATION.—Any person who is determined to be ineligible for program benefits under section 1221 for any crop year shall not be ineligible for such program benefits under such section for any subsequent crop year if, prior to the beginning of such subsequent crop year, the person has fully restored the characteristics of the converted wetland to its prior wetland state or has otherwise mitigated for the loss of wetland values, as determined by the Secretary, through the restoration, enhancement, or creation of wetland values in the same general area of the local watershed as the converted wetland.

(j) DETERMINATIONS; RESTORATION AND MITIGATION PLANS; MONITORING ACTIVITIES.—Technical determinations, the development of restoration and mitigation plans, and monitoring activities under this section shall be made by the [National Resources Conservation Service] *Natural Resources Conservation Service*.

(k) MITIGATION BANKING.—

(1) MITIGATION BANKING PROGRAM.—

(A) IN GENERAL.—Using authorities available to the Secretary, the Secretary shall operate a program or work with third parties to establish mitigation banks to assist persons in complying with the provisions of this section while mitigating any loss of wetland values and functions.

[(B) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use \$10,000,000, to remain available until expended, to carry out this paragraph.]

(B) FUNDING.—

(i) FUNDS OF COMMODITY CREDIT CORPORATION.—*To carry out this paragraph, the Secretary shall use \$10,000,000 of the funds of the Commodity Credit Corporation beginning in fiscal year 2019, which funds shall remain available until expended.*

(ii) AUTHORIZATION OF APPROPRIATIONS.—*In addition to amounts made available under clause (i), there are authorized to be appropriated to the Secretary to carry out this paragraph \$5,000,000 for each of fiscal years 2019 through 2023.*

(2) APPLICABILITY.—Subsection (f)(2)(C) shall not apply to this subsection.

(3) POLICY AND CRITERIA.—The Secretary shall develop the appropriate policy and criteria that will allow willing persons to access existing mitigation banks, under this section or any other authority, that will serve the purposes of this section without requiring the Secretary to hold an easement, in whole or in part, in a mitigation bank.

* * * * *

Subtitle D—Agricultural Resources Conservation Program

CHAPTER 1—COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM

* * * * *

Subchapter B—Conservation Reserve

SEC. 1231. CONSERVATION RESERVE.

(a) **IN GENERAL.**—Through the **[2018]** 2023 fiscal year, the Secretary shall formulate and carry out a conservation reserve program under which land is enrolled through the use of contracts to assist owners and operators of land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land and to address issues raised by State, regional, and national conservation initiatives.

(b) **ELIGIBLE LAND.**—The Secretary may include in the program established under this subchapter—

(1) highly erodible cropland that—

(A)(i) if permitted to remain untreated could substantially reduce the agricultural production capability for future generations; or

(ii) cannot be farmed in accordance with a plan that complies with the requirements of subtitle B; and

(B) the Secretary determines had a cropping history or was considered to be planted for 4 of the 6 years preceding the date of enactment of the Agricultural Act of 2014 (except for land enrolled in the conservation reserve program as of that date);

(2) marginal pasture land to be devoted to appropriate vegetation, including trees, in or near riparian areas, or devoted to similar water quality purposes (including marginal pastureland converted to wetland or established as wildlife habitat);

(3) grasslands that—

(A) contain forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use;

(B) are located in an area historically dominated by grasslands; and

(C) could provide habitat for animal and plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition;

(4) cropland that is otherwise ineligible if the Secretary determines that—

(A) if permitted to remain in agricultural production, the land would—

(i) contribute to the degradation of soil, water, or air quality; or

(ii) pose an on-site or off-site environmental threat to soil, water, or air quality;

(B) the land is a—

(i) newly-created, permanent grass sod waterway; or

(ii) a contour grass sod strip established and maintained as part of an approved conservation plan;

(C) the land will be devoted to newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips or riparian buffers devoted to trees, shrubs, or grasses;

- (D) the land poses an off-farm environmental threat, or a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production; or
- (E) enrollment of the land would facilitate a net savings in groundwater or surface water resources of the agricultural operation of the producer; or
- (5) the portion of land in a field not enrolled in the conservation reserve in a case in which—
- (A) more than 50 percent of the land in the field is enrolled as a buffer or filterstrip, or more than 75 percent of the land in the field is enrolled as a conservation practice other than as a buffer or filterstrip; and
- (B) the remainder of the field is—
- (i) infeasible to farm; and
- (ii) enrolled at regular rental rates.
- (c) **PLANTING STATUS OF CERTAIN LAND.**—For purposes of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered to be planted to an agricultural commodity during a crop year if, during the crop year, the land was devoted to a conserving use.
- (d) **ENROLLMENT.**—
- (1) **MAXIMUM ACREAGE ENROLLED.**—The Secretary may maintain in the conservation reserve at any one time during—
- (A) fiscal year 2014, no more than 27,500,000 acres;
- (B) fiscal year 2015, no more than 26,000,000 acres;
- (C) fiscal year 2016, no more than 25,000,000 acres;
- (D) fiscal year 2017, no more than 24,000,000 acres~~];~~
and~~];~~
- (E) fiscal year 2018, no more than 24,000,000 acres~~].~~;
- (F) *fiscal year 2019, no more than 25,000,000 acres;*
- (G) *fiscal year 2020, no more than 26,000,000 acres;*
- (H) *fiscal year 2021, no more than 27,000,000 acres;*
- (I) *fiscal year 2022, no more than 28,000,000 acres;* and
- (J) *fiscal year 2023, no more than 29,000,000 acres.*
- (2) **GRASSLANDS.**—
- [(A) LIMITATION.**—For purposes of applying the limitations in paragraph (1), no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2014 through 2018 fiscal years.]
- (A) LIMITATION.—For purposes of applying the limitations in paragraph (1)—*
- (i) no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2014 through 2018 fiscal years;*
- (ii) the Secretary shall enroll and maintain in the conservation reserve not fewer than 3,000,000 acres of the land described in subsection (b)(3) by September 30, 2023; and*
- (iii) in carrying out clause (ii), to the maximum extent practicable, the Secretary shall maintain in the conservation reserve at any one time during—*
- (I) fiscal year 2019, 1,000,000 acres;*
- (II) fiscal year 2020, 1,500,000 acres;*

- (III) fiscal year 2021, 2,000,000 acres;
 (IV) fiscal year 2022, 2,500,000 acres; and
 (V) fiscal year 2023, 3,000,000 acres.

(B) PRIORITY.—In enrolling acres under subparagraph (A), the Secretary may give priority to land with expiring conservation reserve program contracts.

(C) METHOD OF ENROLLMENT.—In enrolling acres under subparagraph (A), the Secretary shall make the program available to owners or operators of eligible land on a continuous enrollment basis with one or more ranking periods.

(D) RESERVATION OF UNENROLLED ACRES.—*If the Secretary is unable in a fiscal year to enroll enough acres of land described in subsection (b)(3) to meet the number of acres described in clause (ii) or (iii) of subparagraph (A) for the fiscal year, the Secretary shall reserve the remaining number of acres for that fiscal year for the enrollment of land described in subsection (b)(3), and that number of acres shall not be available for the enrollment of any other type of eligible land.*

(3) STATE ENROLLMENT RATES.—*During each of fiscal years 2019 through 2023, to the maximum extent practicable, the Secretary shall carry out this subchapter in such a manner as to enroll and maintain acreage in the conservation reserve in accordance with historical State enrollment rates, considering—*

(A) *the average number of acres of all lands enrolled in the conservation reserve in each State during each of fiscal years 2007 through 2016;*

(B) *the average number of acres of all lands enrolled in the conservation reserve nationally during each of fiscal years 2007 through 2016; and*

(C) *the acres available for enrollment during each of fiscal years 2019 through 2023, excluding acres described in paragraph (2).*

(4) FREQUENCY.—*In carrying out this subchapter, for contracts that are not available on a continuous enrollment basis, the Secretary shall hold a signup not less often than once every other year.*

[(e) DURATION OF CONTRACT.—

[(1) IN GENERAL.—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

[(2) SPECIAL RULE FOR CERTAIN LAND.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter, the owner or operator of the land may, within the limitations prescribed under paragraph (1), specify the duration of the contract.]

(e) DURATION OF CONTRACT.—

(1) IN GENERAL.—*Except as provided in paragraph (2), for the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.*

(2) CERTAIN CONTINUOUS CONTRACTS.—*With respect to contracts under this subchapter for the enrollment of land de-*

scribed in paragraph (4) or (5) of subsection (b), the Secretary shall enter into contracts of a period of 15 or 30 years.

(f) CONSERVATION PRIORITY AREAS.—

(1) DESIGNATION.—On application by the appropriate State agency, the Secretary shall designate areas of special environmental sensitivity as conservation priority areas.

(2) ELIGIBLE AREAS.—Areas eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

(3) EXPIRATION.—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw an area's designation if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.

(4) DUTY OF SECRETARY.—In carrying out this subsection, the Secretary shall attempt to maximize water quality and habitat benefits in the watersheds described in paragraph (1) by promoting a significant level of enrollment of land within the watersheds in the program under this subchapter by whatever means the Secretary determines are appropriate and consistent with the purposes of this subchapter.

(g) MULTI-YEAR GRASSES AND LEGUMES.—

(1) IN GENERAL.—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.

(2) CROPPING HISTORY.—Alfalfa, when grown as part of a rotation practice, as determined by the Secretary, is an agricultural commodity subject to the cropping history criteria under subsection (b)(1)(B) for the purpose of determining whether highly erodible cropland has been planted or considered planted for 4 of the 6 years referred to in such subsection.

(h) ELIGIBILITY FOR CONSIDERATION.—[On the expiration]

(1) IN GENERAL.—*On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for reenrollment in the conservation reserve.*

(2) REENROLLMENT LIMITATION FOR CERTAIN LAND.—*Land subject to a contract entered into under this subchapter shall be eligible for only one reenrollment in the conservation reserve under paragraph (1) if the land is devoted to hardwood trees.*

(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure, to the maximum extent practicable, an equitable balance among the conservation purposes of soil erosion, water quality, and wildlife habitat.

SEC. 1231B. FARMABLE WETLAND PROGRAM.

(a) PROGRAM REQUIRED.—

(1) IN GENERAL.—During the 2008 through [2018] 2023 fiscal years, the Secretary shall carry out a farmable wetland program in each State under which the Secretary shall enroll eligible acreage described in subsection (b).

(2) PARTICIPATION AMONG STATES.—The Secretary shall ensure, to the maximum extent practicable, that owners and operators in each State have an equitable opportunity to participate in the program established under this section.

(b) ELIGIBLE ACREAGE.—

(1) WETLAND AND RELATED LAND.—Subject to subsections (c) and (d), an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, land—

(A) that is wetland (including a converted wetland described in section 1222(b)(1)(A)) that had a cropping history during at least 3 of the immediately preceding 10 crop years;

(B) on which a constructed wetland is to be developed that will receive surface and subsurface flow from row crop agricultural production and is designed to provide nitrogen removal in addition to other wetland functions;

(C) that was devoted to commercial pond-raised aquaculture in any year during the period of calendar years 2002 through 2007; or

(D) that, after January 1, 1990, and before December 31, 2002, was—

(i) cropped during at least 3 of 10 crop years; and

(ii) subject to the natural overflow of a prairie wetland.

[(2) BUFFER ACREAGE.—Subject to subsections (c) and (d), an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, buffer acreage that—

[(A) with respect to land described in subparagraph (A), (B), or (C) of paragraph (1)—

[(i) is contiguous to such land

[(ii) is used to protect such land; and

[(iii) is of such width as the Secretary determines is necessary to protect such land, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds such land; and

[(B) with respect to land described in subparagraph (D) of paragraph (1), enhances a wildlife benefit to the extent practicable in terms of upland to wetland ratios, as determined by the Secretary.]

(2) BUFFER ACREAGE.—*Subject to subsections (c) and (d), an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, buffer acreage that, with respect to land described in subparagraph (A), (B), or (C) of paragraph (1)—*

(A) is contiguous to such land;

(B) is used to protect such land; and

(C) is of such width as the Secretary determines is necessary to protect such land, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds such land.

(c) PROGRAM LIMITATIONS.—

(1) ACREAGE LIMITATION.—The Secretary may enroll in the conservation reserve, pursuant to the program established under this section, not more than—

- (A) 100,000 acres in any State; and
- (B) a total of ~~750,000~~ 500,000 acres.

(2) RELATIONSHIP TO MAXIMUM ENROLLMENT.—~~Subject to paragraph (3), any acreage~~ Any acreage enrolled in the conservation reserve under this section shall be considered acres maintained in the conservation reserve.

~~[(3) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—Acreage enrolled in the conservation reserve under this section shall not affect for any fiscal year the quantity of—~~

~~[(A) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or~~

~~[(B) acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).~~

~~[(4) REVIEW; POTENTIAL INCREASE IN ENROLLMENT ACREAGE.—The Secretary shall conduct a review of the program established under this section with respect to each State that has enrolled land in the conservation reserve pursuant to the program. As a result of the review, the Secretary may increase the number of acres that may be enrolled in a State under the program to not more than 200,000 acres, notwithstanding paragraph (1)(A).]~~

(d) OWNER OR OPERATOR ENROLLMENT LIMITATIONS.—

(1) WETLAND AND RELATED LAND.—

(A) WETLANDS AND CONSTRUCTED WETLANDS.—The maximum size of any land described in subparagraph (A) or (B) of subsection (b)(1) that an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, shall be 40 contiguous acres.

(B) FLOODED FARMLAND.—The maximum size of any land described in subparagraph (D) of subsection (b)(1) that an owner or operator may enroll in the conservation reserve, pursuant to the program established under this section, shall be 20 contiguous acres.

(C) COVERAGE.—All acres described in subparagraph (A) or (B), including acres that are ineligible for payment, shall be covered by the conservation contract.

(2) BUFFER ACREAGE.—The maximum size of any buffer acreage described in subsection (b)(2) that an owner or operator may enroll in the conservation reserve under this section shall be determined by the Secretary in consultation with the State Technical Committee.

(3) TRACTS.—Except for land described in subsection (b)(1)(C) and buffer acreage related to such land, the maximum size of any eligible acreage described in subsection (b)(1) in a tract of an owner or operator enrolled in the conservation reserve under this section shall be 40 acres.

(e) DUTIES OF OWNERS AND OPERATORS.—During the term of a contract entered into under the program established under this section, an owner or operator shall agree—

(1) to restore the hydrology of the wetland within the eligible acreage to the maximum extent practicable, as determined by the Secretary;

(2) to establish vegetative cover (which may include emerging vegetation in water and bottomland hardwoods, cypress, and other appropriate tree species) on the eligible acreage, as determined by the Secretary【;】and

【(3) to a general prohibition of commercial use of the enrolled land; and

【(4)】 (3) to carry out other duties described in section 1232.

(f) DUTIES OF THE SECRETARY.—

(1) IN GENERAL.—Except as provided in 【paragraphs (2) and (3)】 *paragraph (2)*, in return for a contract entered into under this section, the Secretary shall—

(A) make payments to the owner or operator based on rental rates for cropland; and

(B) provide assistance to the owner or operator in accordance with sections 1233 and 1234.

(2) CONTRACT OFFERS AND PAYMENTS.—The Secretary shall use the method of determination described in 【section 1234(d)(2)(A)(ii)】 *section 1234(d)(2)(A)* to determine the acceptability of contract offers and the amount of rental payments under this section.

【(3) INCENTIVES.—The amounts payable to owners and operators in the form of rental payments under contracts entered into under this section shall reflect incentives that are provided to owners and operators to enroll filterstrips in the conservation reserve under section 1234.】

SEC. 1232. DUTIES OF OWNERS AND OPERATORS.

(a) IN GENERAL.—Under the terms of a contract entered into under this subchapter, during the term of the contract, an owner or operator of a farm or ranch shall agree—

(1) to implement a plan approved by the local conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting eligible land normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass, legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the plan;

(2) to place highly erodible cropland subject to the contract in the conservation reserve established under this subchapter;

(3) not to use the land for agricultural purposes, except as permitted by the Secretary;

(4) to establish approved vegetative cover (which may include emerging vegetation in water), water cover for the enhancement of wildlife, or, where practicable, maintain existing cover on the land, except that—

(A) the water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes; and

(B) the Secretary shall not terminate the contract for failure to establish approved vegetative or water cover on the land if—

(i) the failure to plant the cover was due to excessive rainfall or flooding;

(ii) the land subject to the contract that could practically be planted to the cover is planted to the cover; and

(iii) the land on which the owner or operator was unable to plant the cover is planted to the cover after the wet conditions that prevented the planting subsides;

(5) to undertake management on the land, *which may include the use of grazing in accordance with paragraph (8)*, as needed throughout the term of the contract to implement the conservation plan;

(6) on a violation of a term or condition of the contract at any time the owner or operator has control of the land—

(A) to forfeit all rights to receive rental payments and cost sharing payments under the contract and to refund to the Secretary any rental payments and cost sharing payments received by the owner or operator under the contract, together with interest on the payments as determined by the Secretary, if the Secretary, after considering the recommendations of the soil conservation district and the Natural Resources Conservation Service, determines that the violation is of such nature as to warrant termination of the contract; or

(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that the violation does not warrant termination of the contract;

(7) on the transfer of the right and interest of the owner or operator in land subject to the contract—

(A) to forfeit all rights to rental payments and cost sharing payments under the contract; and

(B) to refund to the United States all rental payments and cost sharing payments received by the owner or operator, or accept such payment adjustments or make such refunds as the Secretary considers appropriate and consistent with the objectives of this subchapter;

unless the transferee of the land agrees with the Secretary to assume all obligations of the contract, except that no refund of rental payments and cost sharing payments shall be required if the land is purchased by or for the United States Fish and Wildlife Service, or the transferee and the Secretary agree to modifications to the contract, in a case in which the modifications are consistent with the objectives of the program, as determined by the Secretary;

(8) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to de-

feat the purposes of the contract, except as provided in subsection (b) or (c) of section 1233;

(9) not to conduct any planting of trees on land that is subject to the contract unless the contract specifies that the harvesting and commercial sale of trees such as Christmas trees are prohibited, nor otherwise make commercial use of trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that no contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning, or stand improvement of trees, on land converted to forestry use;

(10) *on land devoted to hardwood or other trees, excluding windbreaks and shelterbelts, to carry out proper thinning and other practices to improve the condition of resources, promote forest management, and enhance wildlife habitat on the land;*

[(10)] (11) not to adopt any practice specified by the Secretary in the contract as a practice that would tend to defeat the purposes of this subchapter; and

[(11)] (12) to comply with such additional provisions as the Secretary determines are desirable and are included in the contract to carry out this subchapter or to facilitate the practical administration of this subchapter.

(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1) shall set forth—

(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

(2) the commercial use[, if any,] to be permitted on the land during the term.

(c) FORECLOSURE.—

(1) IN GENERAL.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under the contract if the land that is subject to the contract has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment.

(2) RESUMPTION OF CONTROL.—

(A) IN GENERAL.—This subsection shall not void the responsibilities of an owner or operator under the contract if the owner or operator resumes control over the land that is subject to the contract within the period specified in the contract.

(B) CONTRACT.—On the resumption of the control over the land by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

SEC. 1233. DUTIES OF THE SECRETARY.

(a) COST-SHARE AND RENTAL PAYMENTS.—In return for a contract entered into by an owner or operator under the conservation reserve program, the Secretary shall—

(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and

(2) for a period of years not in excess of the term of the contract, **[pay an annual rental payment in an amount necessary to compensate for]** *pay an annual rental payment, in accordance with section 1234(d), for—*

(A) the conversion of highly erodible cropland or other eligible lands normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use;

(B) the retirement of any base history that the owner or operator agrees to retire permanently; and

(C) the development and management of grasslands for multiple natural resource conservation benefits, including to soil, water, air, and wildlife.

(b) SPECIFIED ACTIVITIES PERMITTED.—The Secretary shall permit certain activities or commercial uses of land that is subject to a contract under the conservation reserve program if those activities or uses are consistent with a plan approved by the Secretary and include—

(1) harvesting, grazing, or other commercial use of the forage in response to a drought, flooding, or other emergency, without any reduction in the rental rate;

(2) consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during primary nesting seasons for birds in the area), and in exchange for a reduction of **[not less than 25 percent]** *25 percent* in the annual rental rate for the acres covered by the authorized activity, managed harvesting (*except that vegetative cover may not be harvested for seed*) and other commercial use (including the managed harvesting of biomass), except that in permitting those activities, the Secretary, in coordination with the State technical committee—

(A) shall develop appropriate vegetation management requirements**;** and**;**

(B) shall identify periods during which the activities may be conducted, such that the frequency **[is at least every 5 but not more than once every 3 years;]** *contributes to the health and vigor of the established cover, and is not more than once every 3 years; and*

(C) *shall ensure that 25 percent of the acres covered by the contract are not harvested, in accordance with an approved plan that provides for wildlife cover and shelter;*

(3) subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee, and in exchange for a reduction of **[not less than 25 percent]** *25 percent* in the annual rental rate for the acres covered by the authorized activity—

(A) prescribed grazing for the control of invasive species, which may be conducted annually;

(B) **[routine grazing]** *grazing, except that in permitting such routine grazing,* the Secretary, in coordination with the State technical committee—

(i) shall develop appropriate vegetation management requirements and stocking rates for the land that are suitable for ~~continued routine grazing; and~~ *grazing*;

(ii) shall identify the periods during which ~~routine grazing may be conducted, such that the frequency is not more than once every 2 years~~ *grazing may be conducted, such that the frequency contributes to the health and vigor of the established cover*, taking into consideration regional differences such as—

(I) climate, soil type, and natural resources;

(II) ~~the number of years that should be required between routine~~ *the appropriate frequency and duration of grazing activities*; and

(III) how often during a year in which ~~routine~~ *grazing is permitted that* ~~routine~~ *grazing should be allowed to occur*; and

(iii) shall ensure that the grazing is conducted in accordance with an approved plan that does not restrict grazing during the primary nesting season and will reduce the stocking rate determined under clause (i) by 50 percent; and

(C) the installation of wind turbines and associated access, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—

(i) the location, size, and other physical characteristics of the land;

(ii) the extent to which the land contains threatened or endangered wildlife and wildlife habitat; and

(iii) the purposes of the conservation reserve program under this subchapter;

(4) grazing during the applicable normal grazing period determined under subclause (I) of section 1501(c)(3)(D)(i) of the Agricultural Act of 2014 (7 U.S.C. 9081(c)(3)(D)(i)), without any restriction on grazing during the primary nesting period, subject to the condition that the grazing shall be at 50 percent of the normal carrying capacity determined under that subclause.

~~[(4)]~~ *(5) the intermittent and seasonal use of vegetative buffer practices incidental to agricultural production on lands adjacent to the buffer such that the permitted use does not destroy the permanent vegetative cover; and* *and retains suitable vegetative structure for wildlife cover and shelter;*

~~[(5)]~~ *(6) grazing by livestock of a beginning farmer or rancher without any reduction in the rental rate, if the grazing is—*

(A) consistent with the conservation of soil, water quality, and wildlife habitat;

(B) subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee; and

(C) described in subparagraph (A) or (B) of paragraph (3)~~[(1)]~~; and

(7) grazing pursuant to section 1232(a)(5), without any reduction in the rental rate, if the grazing is consistent with the conservation of soil, water quality, and wildlife habitat.

(c) AUTHORIZED ACTIVITIES ON GRASSLANDS.—For eligible land described in section 1231(b)(3), the Secretary shall permit the following activities:

(1) Common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality.

(2) Haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee.

(3) Fire presuppression, fire-related rehabilitation, and construction of fire breaks.

(4) Grazing-related activities, such as fencing and livestock watering.

(d) RESOURCE CONSERVING USE.—

(1) IN GENERAL.—Beginning on the date that is 1 year before the date of termination of a contract under the program, the Secretary shall allow an owner or operator to make conservation and land improvements for economic use that facilitate maintaining protection of enrolled land after expiration of the contract.

(2) CONSERVATION PLAN.—The Secretary shall require an owner or operator carrying out the activities described in paragraph (1) to develop and implement a conservation plan.

(3) RE-ENROLLMENT PROHIBITED.—Land improved under paragraph (1) may not be re-enrolled in the conservation reserve program for 5 years after the date of termination of the contract.

(4) PAYMENT REDUCTION.—In the case of an activity carried out under paragraph (1), the Secretary shall reduce the payment otherwise payable under the contract by an amount commensurate with the economic value of the activity.

(e) NATURAL DISASTER OR ADVERSE WEATHER AS MID-CONTRACT MANAGEMENT.—*In the case of a natural disaster or adverse weather event that has the effect of a management practice consistent with the conservation plan, the Secretary shall not require further management practices pursuant to section 1232(a)(5) that are intended to achieve the same effect.*

SEC. 1234. PAYMENTS.

(a) TIMING.—The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subchapter—

(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as practicable after the obligation is incurred; and

(2) with respect to any annual rental payment obligation incurred by the Secretary—

(A) as soon as practicable after October 1 of each calendar year; or

(B) at the option of the Secretary, at any time prior to such date during the year that the obligation is incurred.

(b) COST SHARING PAYMENTS.—

(1) IN GENERAL.—In making cost sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay **[50 percent]** *not more than 40 percent* of the cost of establishing water quality and conservation measures and practices required under each contract for which the Secretary determines that cost sharing is appropriate and in the public interest.

[(2) LIMITATION.—The Secretary shall not make any payment to an owner or operator under this subchapter to the extent that the total amount of cost sharing payments provided to the owner or operator from all sources would exceed 100 percent of the total cost of establishing measures and practices described in paragraph (1).

[(3) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—

[(A) APPLICABILITY.—This paragraph applies to land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after November 28, 1990.

[(B) PAYMENTS.—

[(i) PERCENTAGE.—In making cost share payments to an owner or operator of land described in subparagraph (A), the Secretary shall pay 50 percent of the reasonable and necessary costs incurred by the owner or operator for maintaining trees or shrubs, including the cost of replanting (if the trees or shrubs were lost due to conditions beyond the control of the owner or operator).

[(ii) DURATION.—The Secretary shall make payments as described in clause (i) for a period of not less than 2 years, but not more than 4 years, beginning on the date of the planting of the trees or shrubs.

[(4) HARDWOOD TREE PLANTING.—The Secretary may permit owners or operators that contract to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of the trees over a 3-year period if at least $\frac{1}{3}$ of the trees are planted in each of the first 2 years.]

(2) LIMITATIONS.—

(A) EXCEPTION FOR SEED COSTS.—*In the case of seed costs related to the establishment of cover, cost share shall not exceed 25 percent of the total cost of the seed mixture.*

(B) ADDITIONAL INCENTIVE PAYMENTS.—*Except as provided in subsection (c), the Secretary may not make additional incentive payments beyond the actual cost of installing measures and practices described in paragraph (1).*

(C) MID-CONTRACT MANAGEMENT GRAZING.—*The Secretary may not make any cost sharing payment to an owner or operator under this subchapter pursuant to section 1232(a)(5).*

[(5)] (3) OTHER FEDERAL COST SHARE ASSISTANCE.—An owner or operator shall not be eligible to receive or retain cost

share assistance under this subsection if the owner or operator receives any other Federal cost share assistance with respect to the land under any other provision of law.

(c) **INCENTIVE FOREST MANAGEMENT PAYMENT PAYMENTS.**—

(1) **IN GENERAL.**—**The Secretary** *Using funds made available under section 1241(a)(1)(A), the Secretary may make incentive payments to an owner or operator of eligible land in an amount sufficient to encourage proper thinning and other practices to improve the condition of resources, promote forest management, or enhance wildlife habitat on the land.*

(2) **LIMITATION.**—A payment described in paragraph (1) may not exceed **150 percent** *100 percent* of the total cost of thinning and other practices conducted by the owner or operator.

(d) **ANNUAL RENTAL PAYMENTS.**—

(1) **IN GENERAL.**—In determining the amount of annual rental payments to be paid to owners and operators for converting highly erodible cropland or other eligible lands normally devoted to the production of an agricultural commodity to **less intensive use, the Secretary may consider** *less intensive use—*

(A) the Secretary may consider, among other things, the amount necessary to encourage owners or operators of highly erodible cropland or other eligible lands to participate in the program established by this subchapter;

(B) the Secretary shall consider the impact on the local farmland rental market.

(2) **METHODS OF DETERMINATION.**—

(A) IN GENERAL.—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

(i) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

(ii) such other means as the Secretary determines are appropriate.

(A) IN GENERAL.—

(i) INITIAL ENROLLMENT.—*The amounts payable to an owner or operator in the form of annual rental payments under a contract entered into under this subchapter with respect to land that has not previously been subject to such a contract shall be not more than 80 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the contract is entered into.*

(ii) MULTIPLE ENROLLMENTS.—*If land subject to a contract entered into under this subchapter is reenrolled in the conservation reserve under section 1231(h)(1)—*

(I) for the first such reenrollment, the annual rental payment shall be in an amount that is not more than 65 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs;

(II) for the second such reenrollment, the annual rental payment shall be in an amount that is not more than 55 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs;

(III) for the third such reenrollment, the annual rental payment shall be in an amount that is not more than 45 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs; and

(IV) for the fourth such reenrollment, the annual rental payment shall be in an amount that is not more than 35 percent of the applicable estimated average county rental rate published pursuant to paragraph (4) for the year in which the reenrollment occurs.

(B) GRASSLANDS.—**[In the case]** Notwithstanding subparagraph (A), in the case of eligible land described in section 1231(b)(3), the Secretary shall make annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.

(3) ACCEPTANCE OF CONTRACT OFFERS.—

(A) EVALUATION OF OFFERS.—In determining the acceptability of contract offers, the Secretary may take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, or wildlife habitat or provide other environmental benefits.

(B) ESTABLISHMENT OF DIFFERENT CRITERIA IN VARIOUS STATES AND REGIONS.—The Secretary may establish different criteria for determining the acceptability of contract offers in various States and regions of the United States based on the extent to which water quality or wildlife habitat may be improved or erosion may be abated.

(C) LOCAL PREFERENCE.—In determining the acceptability of contract offers for new enrollments, the Secretary shall accept, to the maximum extent practicable, an offer from an owner or operator that is a resident of the county in which the land is located or of a contiguous county if, as determined by the Secretary, the land would provide at least equivalent conservation benefits to land under competing offers.

[(4)] HARDWOOD TREE ACREAGE.—In the case of acreage enrolled in the conservation reserve established under this subchapter that is to be devoted to hardwood trees, the Secretary may consider bids for contracts under this subsection on a continuous basis.

[(5)] (4) RENTAL RATES.—

(A) ANNUAL ESTIMATES.—The Secretary (acting through the National Agricultural Statistics Service) shall **[**, not less frequently than once every other year,**]** annually conduct a survey of per acre estimates of county average market dryland and irrigated **[cash]** rental rates for cropland

and pastureland in all counties or equivalent subdivisions within each State that have 20,000 acres or more of cropland and pastureland, *and shall publish the estimates derived from such survey not later than September 15 of each year.*

(B) PUBLIC AVAILABILITY OF ESTIMATES.—The estimates derived from the survey conducted under subparagraph (A) shall be maintained on a website of the Department of Agriculture for use by the general public.

(C) USE.—The Secretary **[may]** *shall* use the estimates derived from the survey conducted under subparagraph (A) relating to dryland **[cash]** rental rates **[as a factor in determining]** *to determine* rental rates under this section in a manner determined appropriate by the Secretary.

(e) PAYMENT SCHEDULE.—

(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter shall be made in cash in such amount and on such time schedule as is agreed on and specified in the contract.

(2) ADVANCE PAYMENT.—Payments under this subchapter may be made in advance of determination of performance.

(f) PAYMENTS ON DEATH, DISABILITY, OR SUCCESSION.—If an owner or operator that is entitled to a payment under a contract entered into under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person that renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

(g) PAYMENT LIMITATION FOR RENTAL PAYMENTS.—

(1) IN GENERAL.—The total amount of rental payments received by a person or legal entity, directly or indirectly, under this subchapter for any fiscal year may not exceed \$50,000.

(2) SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

(A) IN GENERAL.—The provisions of this subsection that limit payments to any person or legal entity, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note; Public Law 100–203), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special conservation reserve enhancement program carried out by that entity that has been approved by the Secretary.

(B) AGREEMENTS.—The Secretary may enter into such agreements for payments to States (including political subdivisions and agencies of States) that the Secretary determines will advance the purposes of this subchapter.

(C) LIMITATION ON PAYMENTS.—*Payments under subparagraph (B) shall not exceed 50 percent of the cost of activities carried out under the applicable agreement entered into under such subparagraph.*

(h) OTHER STATE OR LOCAL ASSISTANCE.—In addition to any payment under this subchapter, an owner or operator may receive cost

share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling land in the conservation reserve program.

SEC. 1235. CONTRACTS.

(a) **OWNERSHIP OR OPERATION REQUIREMENTS.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), no contract shall be entered into under this subchapter concerning land with respect to which the ownership has changed in the 1-year period preceding the first year of the contract period unless—

(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

(B) the new ownership was acquired before January 1, 1985;

(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that the land was not acquired for the purpose of placing the land in the program established by this subchapter; or

(D) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law.

(2) **EXCEPTIONS.**—Paragraph (1) shall not—

(A) prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this subchapter; or

(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

(i) has operated the land to be covered by a contract under this section for at least 1 year preceding the date of the contract or since January 1, 1985, whichever is later; and

(ii) controls the land for the contract period.

(b) **SALES OR TRANSFERS.**—If, during the term of a contract entered into under this subchapter, an owner or operator of land subject to the contract sells or otherwise transfers the ownership or right of occupancy of the land, the new owner or operator of the land may—

(1) continue the contract under the same terms or conditions;

(2) enter into a new contract in accordance with this subchapter; or

(3) elect not to participate in the program established by this subchapter.

(c) **MODIFICATIONS.**—

(1) **IN GENERAL.**—The Secretary may modify a contract entered into with an owner or operator under this subchapter if—

(A) the owner or operator agrees to the modification; and

(B) the Secretary determines that the modification is desirable—

(i) to carry out this subchapter;

(ii) to facilitate the practical administration of this subchapter;

(iii) to facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning farmer or rancher or socially disadvan-

taged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods; or

(iv) to achieve such other goals as the Secretary determines are appropriate, consistent with this subchapter.

(2) PRODUCTION OF AGRICULTURAL COMMODITIES.—The Secretary may modify or waive a term or condition of a contract entered into under this subchapter in order to permit all or part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

(d) TERMINATION.—

(1) IN GENERAL.—The Secretary may terminate a contract entered into with an owner or operator under this subchapter if—

(A) the owner or operator agrees to the termination; and

(B) the Secretary determines that the termination would be in the public interest.

(2) NOTICE TO CONGRESSIONAL COMMITTEES.—At least 90 days before taking any action to terminate under paragraph (1) all conservation reserve contracts entered into under this subchapter, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate written notice of the action.

(e) EARLY TERMINATION BY OWNER OR OPERATOR.—

(1) EARLY TERMINATION.—

(A) IN GENERAL.—During fiscal year **[2015]** 2019, the Secretary shall allow a participant that entered into a contract under this subchapter to terminate the contract at any time if the contract has been in effect for at least 5 years.

(B) LIABILITY FOR CONTRACT VIOLATION.—The termination shall not relieve the participant of liability for a contract violation occurring before the date of the termination.

(C) NOTICE TO SECRETARY.—The participant shall provide the Secretary with reasonable notice of the desire of the participant to terminate the contract.

(2) CERTAIN LAND EXCEPTED.—The following land shall not be subject to an early termination of contract under this subsection:

(A) Filterstrips, waterways, strips adjacent to riparian areas, windbreaks, and shelterbelts.

(B) Land with an erodibility index of more than 15.

(C) Land devoted to hardwood trees.

(D) Wildlife habitat, duck nesting habitat, pollinator habitat, upland bird habitat buffer, wildlife food plots, State acres for wildlife enhancement, shallow water areas for wildlife, and rare and declining habitat.

(E) Farmable wetland and restored wetland.

(F) Land that contains diversions, erosion control structures, flood control structures, contour grass strips, living

snow fences, salinity reducing vegetation, cross wind trap strips, and sediment retention structures.

(G) Land located within a federally designated wellhead protection area.

(H) Land that is covered by an easement under the conservation reserve program.

(I) Land located within an average width, according to the applicable Natural Resources Conservation Service field office technical guide, of a perennial stream or permanent water body.

(J) Land enrolled under the conservation reserve enhancement program.

(3) EFFECTIVE DATE.—The contract termination shall become effective upon approval by the Secretary.

(4) PRORATED RENTAL PAYMENT.—If a contract entered into under this subchapter is terminated under this subsection before the end of the fiscal year for which a rental payment is due, the Secretary shall provide a prorated rental payment covering the portion of the fiscal year during which the contract was in effect.

(5) RENEWED ENROLLMENT.—The termination of a contract entered into under this subchapter shall not affect the ability of the owner or operator that requested the termination to submit a subsequent bid to enroll the land that was subject to the contract into the conservation reserve.

(6) CONSERVATION REQUIREMENTS.—If land that was subject to a contract is returned to production of an agricultural commodity, the conservation requirements under subtitles B and C shall apply to the use of the land to the extent that the requirements are similar to those requirements imposed on other similar land in the area, except that the requirements may not be more onerous than the requirements imposed on other land.

(f) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—

(1) TRANSITION TO COVERED FARMER OR RANCHER.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired farmer or rancher to a beginning farmer or rancher, a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))), or a socially disadvantaged farmer or rancher (in this subsection referred to as a “covered farmer or rancher”), the Secretary shall—

[(A) beginning on the date that is 1 year before the date of termination of the contract—

[(i) allow the covered farmer or rancher, in conjunction with the retired or retiring owner or operator, to make conservation and land improvements, including preparing to plant an agricultural crop; and

[(ii) allow the covered farmer or rancher to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);]

(A) beginning on the date that is 1 year before the date of termination of the contract, allow the covered farmer or rancher, in conjunction with the retired or retiring owner

or operator, to make conservation and land improvements, including preparing to plant an agricultural crop;

(B) beginning on the date that is 3 years before the date of termination of the contract, allow the covered farmer or rancher to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);

[(B)] (C) beginning on the date of termination of the contract, require the retired or retiring owner or operator to sell or lease (under a long-term lease or a lease with an option to purchase) to the covered farmer or rancher the land subject to the contract for production purposes;

[(C)] (D) require the covered farmer or rancher to develop and implement a conservation plan, and provide to such farmer or rancher technical and financial assistance to carry out the requirements of the plan, if any;

[(D)] (E) provide to the covered farmer or rancher an opportunity to enroll in [the conservation stewardship program or] the environmental quality incentives program by not later than the date on which the covered farmer or rancher takes possession of the land through ownership or lease; and

[(E)] (F) continue to make annual payments to the retired or retiring owner or operator for not more than an additional 2 years after the date of termination of the contract, if the retired or retiring owner or operator is not a family member (as defined in section 1001 of this Act) of the covered farmer or rancher.

(2) REENROLLMENT.—[The Secretary] *To the extent the maximum number of acres permitted to be enrolled under the program has not been met, the Secretary shall provide a covered farmer or rancher with the option to reenroll any applicable partial field conservation practice that—*

(A) is [eligible for enrollment under the continuous signup option pursuant to section 1234(d)(2)(A)(ii)] *is carried out on land described in paragraph (4) or (5) of section 1231(b); and*

(B) is part of an approved conservation plan.

[(g) FINAL YEAR OF CONTRACT.—The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—

[(1) during the year prior to expiration of the contract, the land is enrolled in the conservation stewardship program; and

[(2) the activity required under the conservation stewardship program pursuant to such enrollment is consistent with this subchapter.]

(g) END OF CONTRACT CONSIDERATIONS.—*The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—*

(1) *during the year prior to expiration of the contract, the owner or operator—*

(A) *enters into an environmental quality incentives program contract; and*

(B) *begins the establishment of an environmental quality incentives practice; or*

(2) *during the three years prior to the expiration of the contract, the owner or operator begins the certification process under the Organic Foods Production Act of 1990.*

(h) LAND ENROLLED IN AGRICULTURAL CONSERVATION EASEMENT PROGRAM.—The Secretary may terminate or modify a contract entered into under this subchapter if eligible land that is subject to such contract is transferred into the agricultural conservation easement program under subtitle H.

[CHAPTER 2—CONSERVATION SECURITY AND FARMLAND PROTECTION

[Subchapter A—Conservation Security Program

[SEC. 1238. DEFINITIONS.

[In this subchapter:

[(1) BASE PAYMENT.—The term “base payment” means an amount that is—

[(A) determined in accordance with the rate described in section 1238C(b)(1)(A); and

[(B) paid to a producer under a conservation security contract in accordance with clause (i) of subparagraph (C), (D), or (E) of section 1238C(b)(1), as appropriate.

[(2) BEGINNING FARMER OR RANCHER.—The term “beginning farmer or rancher” has the meaning given the term under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

[(3) CONSERVATION PRACTICE.—The term “conservation practice” means a conservation farming practice described in section 1238A(d)(4) that—

[(A) requires planning, implementation, management, and maintenance; and

[(B) promotes 1 or more of the purposes described in section 1238A(a).

[(4) CONSERVATION SECURITY CONTRACT.—The term “conservation security contract” means a contract described in section 1238A(e).

[(5) CONSERVATION SECURITY PLAN.—The term “conservation security plan” means a plan described in section 1238A(c).

[(6) CONSERVATION SECURITY PROGRAM.—The term “conservation security program” means the program established under section 1238A(a).

[(7) ENHANCED PAYMENT.—The term “enhanced payment” means the amount paid to a producer under a conservation security contract that is equal to the amount described in section 1238C(b)(1)(C)(iii).

[(8) NONDEGRADATION STANDARD.—The term “nondegradation standard” means the level of measures required to adequately protect, and prevent degradation of, 1 or more natural resources, as determined by the Secretary in accordance with the quality criteria described in handbooks of the Natural Resources Conservation Service.

[(9) PRODUCER.—

[(A) IN GENERAL.—The term “producer” means an owner, operator, landlord, tenant, or sharecropper that—

[(i) shares in the risk of producing any crop or livestock; and

[(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

[(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

[(10) RESOURCE-CONSERVING CROP ROTATION.—The term “resource-conserving crop rotation” means a crop rotation that—

[(A) includes at least 1 resource-conserving crop (as defined by the Secretary);

[(B) reduces erosion;

[(C) improves soil fertility and tilth;

[(D) interrupts pest cycles; and

[(E) in applicable areas, reduces depletion of soil moisture (or otherwise reduces the need for irrigation).

[(11) RESOURCE MANAGEMENT SYSTEM.—The term “resource management system” means a system of conservation practices and management relating to land or water use that is designed to prevent resource degradation and permit sustained use of land, water, and other natural resources, as defined in accordance with the technical guide of the Natural Resources Conservation Service.

[(12) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Natural Resources Conservation Service.

[(13) TIER I CONSERVATION SECURITY CONTRACT.—The term “Tier I conservation security contract” means a contract described in section 1238A(d)(5)(A).

[(14) TIER II CONSERVATION SECURITY CONTRACT.—The term “Tier II conservation security contract” means a contract described in section 1238A(d)(5)(B).

[(15) TIER III CONSERVATION SECURITY CONTRACT.—The term “Tier III conservation security contract” means a contract described in section 1238A(d)(5)(C).

[SEC. 1238A. CONSERVATION SECURITY PROGRAM.]

[(a) IN GENERAL.—The Secretary shall establish and, for each of fiscal years 2003 through 2011, carry out a conservation security program to assist producers of agricultural operations in promoting, as is applicable with respect to land to be enrolled in the program, conservation and improvement of the quality of soil, water, air, energy, plant and animal life, and any other conservation purposes, as determined by the Secretary.

[(b) ELIGIBILITY.—

[(1) ELIGIBLE PRODUCERS.—To be eligible to participate in the conservation security program (other than to receive technical assistance under section 1238C(g) for the development of conservation security contracts), a producer shall—

[(A) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation security plan that meets the requirements of subsection (c)(1); and

[(B) enter into a conservation security contract with the Secretary to carry out the conservation security plan.

[(2) ELIGIBLE LAND.—Except as provided in paragraph (3), private agricultural land (including cropland, grassland, prairie land, improved pasture land, and rangeland), land under the jurisdiction of an Indian tribe (as defined by the Secretary), and forested land that is an incidental part of an agricultural operation shall be eligible for enrollment in the conservation security program.

[(3) EXCLUSIONS.—

[(A) CONSERVATION RESERVE PROGRAM.—Land enrolled in the conservation reserve program under subchapter B of chapter 1 shall not be eligible for enrollment in the conservation security program.

[(B) WETLANDS RESERVE PROGRAM.—Land enrolled in the wetlands reserve program established under subchapter C of chapter 1 shall not be eligible for enrollment in the conservation security program.

[(C) GRASSLAND RESERVE PROGRAM.—Land enrolled in the grassland reserve program established under subchapter D of chapter 2 shall not be eligible for enrollment in the conservation security program.

[(D) CONVERSION TO CROPLAND.—Land that is used for crop production after the date of enactment of this subchapter that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program under subchapter B of chapter 1) or that has been maintained using long-term crop rotation practices, as determined by the Secretary, shall not be the basis for any payment under the conservation security program.

[(4) ECONOMIC USES.—The Secretary shall permit a producer to implement, with respect to all eligible land covered by a conservation security plan, economic uses that—

[(A) maintain the agricultural nature of the land; and

[(B) are consistent with the natural resource and conservation objectives of the conservation security program.

[(c) CONSERVATION SECURITY PLANS.—

[(1) IN GENERAL.—A conservation security plan shall—

[(A) identify the designated land and resources to be conserved under the conservation security plan;

[(B) describe the tier of conservation security contract, and the particular conservation practices to be implemented, maintained, or improved, in accordance with subsection (d) on the land covered by the conservation security contract for the specified term; and

[(C) contain a schedule for the implementation, maintenance, or improvement of the conservation practices described in the conservation security plan during the term of the conservation security contract.

[(2) RESOURCE PLANNING.—The Secretary may assist producers that enter into conservation security contracts in developing a comprehensive, long-term strategy for improving and maintaining all natural resources of the agricultural operation of the producer.

[(d) CONSERVATION CONTRACTS AND PRACTICES.—

[(1) IN GENERAL.—

[(A) ESTABLISHMENT OF TIERS.—The Secretary shall establish, and offer to eligible producers, 3 tiers of conservation contracts under which a payment under this subchapter may be received.

[(B) ELIGIBLE CONSERVATION PRACTICES.—

[(i) IN GENERAL.—The Secretary shall make eligible for payment under a conservation security contract land management, vegetative, and structural practices.

[(ii) DETERMINATION.—In determining the eligibility of a practice described in clause (i), the Secretary shall require, to the maximum extent practicable, that the lowest cost alternatives be used to fulfill the purposes of the conservation security plan, as determined by the Secretary.

[(2) ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.—With respect to land enrolled in the conservation security program, the Secretary may approve a conservation security plan that includes—

[(A) on-farm conservation research and demonstration activities; and

[(B) pilot testing of new technologies or innovative conservation practices.

[(3) USE OF HANDBOOK AND GUIDES; STATE AND LOCAL CONSERVATION CONCERNS.—

[(A) USE OF HANDBOOK AND GUIDES.—In determining eligible conservation practices and the criteria for implementing or maintaining the conservation practices under the conservation security program, the Secretary shall use the National Handbook of Conservation Practices of the Natural Resources Conservation Service.

[(B) STATE AND LOCAL CONSERVATION PRIORITIES.—The conservation priorities of a State or locality in which an agricultural operation is situated shall be determined by the State Conservationist, in consultation with—

[(i) the State technical committee established under subtitle G; and

[(ii) local agricultural producers and conservation working groups.

[(4) CONSERVATION PRACTICES.—Conservation practices that may be implemented by a producer under a conservation security contract (as appropriate for the agricultural operation of a producer) include—

[(A) nutrient management;

[(B) integrated pest management;

[(C) water conservation (including through irrigation) and water quality management;

[(D) grazing, pasture, and rangeland management;

[(E) soil conservation, quality, and residue management;

[(F) invasive species management;

[(G) fish and wildlife habitat conservation, restoration, and management;

[(H) air quality management;

[(I) energy conservation measures;

- [(J) biological resource conservation and regeneration;
- [(K) contour farming;
- [(L) strip cropping;
- [(M) cover cropping;
- [(N) controlled rotational grazing;
- [(O) resource-conserving crop rotation;
- [(P) conversion of portions of cropland from a soil-depleting use to a soil-conserving use, including production of cover crops;
- [(Q) partial field conservation practices;
- [(R) native grassland and prairie protection and restoration; and
- [(S) any other conservation practices that the Secretary determines to be appropriate and comparable to other conservation practices described in this paragraph.

[(5) TIERS.—Subject to paragraph (6), to carry out this subsection, the Secretary shall establish the following 3 tiers of conservation contracts:

[(A) TIER I CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier I conservation security contract shall—

- [(i) be for a period of 5 years; and
- [(ii) include conservation practices appropriate for the agricultural operation, that, at a minimum (as determined by the Secretary)—
 - [(I) address at least 1 significant resource of concern for the enrolled portion of the agricultural operation at a level that meets the appropriate nondegradation standard; and
 - [(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

[(B) TIER II CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier II conservation security contract shall—

- [(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer;
- [(ii) include conservation practices appropriate for the agricultural operation, that, at a minimum—
 - [(I) address at least 1 significant resource of concern for the entire agricultural operation, as determined by the Secretary, at a level that meets the appropriate nondegradation standard; and
 - [(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

[(C) TIER III CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier III conservation security contract shall—

- [(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer; and
- [(ii) include conservation practices appropriate for the agricultural operation that, at a minimum—
 - [(I) apply a resource management system that meets the appropriate nondegradation standard

for all resources of concern of the entire agricultural operation, as determined by the Secretary; and

[(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.

[(6) MINIMUM REQUIREMENTS.—The minimum requirements for each tier of conservation contracts implemented under paragraph (5) shall be determined and approved by the Secretary.

[(e) CONSERVATION SECURITY CONTRACTS.—

[(1) IN GENERAL.—On approval of a conservation security plan of a producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land covered by the conservation security plan in the conservation security program.

[(2) MODIFICATION.—

[(A) OPTIONAL MODIFICATIONS.—A producer may apply to the Secretary for a modification of the conservation security contract of the producer that is consistent with the purposes of the conservation security program.

[(B) OTHER MODIFICATIONS.—

[(i) IN GENERAL.—The Secretary may, in writing, require a producer to modify a conservation security contract before the expiration of the conservation security contract if the Secretary determines that a change made to the type, size, management, or other aspect of the agricultural operation of the producer would, without the modification of the contract, significantly interfere with achieving the purposes of the conservation security program.

[(ii) PARTICIPATION IN OTHER PROGRAMS.—If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the conservation security contract of a producer, the producer may—

[(I) simultaneously participate in—

[(aa) the conservation security program;

[(bb) the conservation reserve program under subchapter B of chapter 1; and

[(cc) the wetlands reserve program under subchapter C of chapter 1; and

[(II) may remove land enrolled in the conservation security program for enrollment in a program described in item (bb) or (cc) of subclause (I).

[(3) TERMINATION.—

[(A) OPTIONAL TERMINATION.—A producer may terminate a conservation security contract and retain payments received under the conservation security contract, if—

[(i) the producer is in full compliance with the terms and conditions (including any maintenance requirements) of the conservation security contract as of the date of the termination; and

[(ii) the Secretary determines that termination of the contract would not defeat the purposes of the conservation security plan of the producer.

[(B) OTHER TERMINATION.—A producer that is required to modify a conservation security contract under paragraph (2)(B)(i) may, in lieu of modifying the contract—

[(i) terminate the conservation security contract; and

[(ii) retain payments received under the conservation security contract, if the producer has fully complied with the terms and conditions of the conservation security contract before termination of the contract, as determined by the Secretary.

[(4) RENEWAL.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), at the option of a producer, the conservation security contract of the producer may be renewed for an additional period of not less than 5 nor more than 10 years.

[(B) TIER I RENEWALS.—In the case of a Tier I conservation security contract of a producer, the producer may renew the contract only if the producer agrees—

[(i) to apply additional conservation practices that meet the nondegradation standard on land already enrolled in the conservation security program; or

[(ii) to adopt new conservation practices with respect to another portion of the agricultural operation that address resource concerns and meet the nondegradation standard under the terms of the Tier I conservation security contract.

[(f) NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision, and may permit modification of a conservation security contract under subsection (e)(1), to ensure that a producer shall not be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.

[(g) PROHIBITION ON CONSERVATION SECURITY PROGRAM CONTRACTS; EFFECT ON EXISTING CONTRACTS.—

[(1) PROHIBITION.—A conservation security contract may not be entered into or renewed under this subchapter after September 30, 2008.

[(2) EXCEPTION.—This subchapter, and the terms and conditions of the conservation security program, shall continue to apply to—

[(A) conservation security contracts entered into on or before September 30, 2008; and

[(B) any conservation security contract entered into after that date, but for which the application for the contract was received during the 2008 sign-up period.

[(3) EFFECT ON PAYMENTS.—The Secretary shall make payments under this subchapter with respect to conservation security contracts described in paragraph (2) during the remaining term of the contracts.

[(4) REGULATIONS.—A contract described in paragraph (2) may not be administered under the regulations issued to carry out the conservation stewardship program.

[SEC. 1238B. DUTIES OF PRODUCERS.

Under a conservation security contract, a producer shall agree, during the term of the conservation security contract—

[(1) to implement the applicable conservation security plan approved by the Secretary;

[(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security plan;

[(3) not to engage in any activity that would interfere with the purposes of the conservation security program; and

[(4) on the violation of a term or condition of the conservation security contract—

[(A) if the Secretary determines that the violation warrants termination of the conservation security contract—

[(i) to forfeit all rights to receive payments under the conservation security contract; and

[(ii) to refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payments and interest on the payments, as determined by the Secretary; or

[(B) if the Secretary determines that the violation does not warrant termination of the conservation security contract, to refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate.

[SEC. 1238C. DUTIES OF THE SECRETARY.

[(a) TIMING OF PAYMENTS.—The Secretary shall make payments under a conservation security contract as soon as practicable after October 1 of each fiscal year.

[(b) ANNUAL PAYMENTS.—

[(1) CRITERIA FOR DETERMINING AMOUNT OF PAYMENTS.—

[(A) BASE PAYMENT.—A base payment under this paragraph shall be (as determined by the Secretary)—

[(i) the average national per-acre rental rate for a specific land use during the 2001 crop year; or

[(ii) another appropriate rate for the 2001 crop year that ensures regional equity.

[(B) PAYMENTS.—A payment for a conservation practice under this paragraph shall be determined in accordance with subparagraphs (C) through (E).

[(C) TIER I CONSERVATION SECURITY CONTRACTS.—The payment for a Tier I conservation security contract shall consist of the total of the following amounts:

[(i) An amount equal to 5 percent of the applicable base payment for land covered by the contract.

[(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county costs of practices for the 2001 crop year that are included in the conservation

security contract, as determined by the Secretary, including the costs of—

【(I) the adoption of new management, vegetative, and land-based structural practices;

【(II) the maintenance of existing land management and vegetative practices; and

【(III) the maintenance of existing land-based structural practices that are approved by the Secretary but not already covered by a Federal or State maintenance requirement.

【(iii) An enhanced payment that is determined by the Secretary in a manner that ensures equity across regions of the United States, if the producer—

【(I) implements or maintains multiple conservation practices that exceed minimum requirements for the applicable tier of participation (including practices that involve a change in land use, such as resource-conserving crop rotation, managed rotational grazing, or conservation buffer practices);

【(II) addresses local conservation priorities in addition to resources of concern for the agricultural operation;

【(III) participates in an on-farm conservation research, demonstration, or pilot project;

【(IV) participates in a watershed or regional resource conservation plan that involves at least 75 percent of producers in a targeted area; or

【(V) carries out assessment and evaluation activities relating to practices included in a conservation security plan.

【(D) TIER II CONSERVATION SECURITY CONTRACTS.—The payment for a Tier II conservation security contract shall consist of the total of the following amounts:

【(i) An amount equal to 10 percent of the applicable base payment for land covered by the conservation security contract.

【(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are included in the conservation security contract, as described in subparagraph (C)(ii).

【(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).

【(E) TIER III CONSERVATION SECURITY CONTRACTS.—The payment for a Tier III conservation security contract shall consist of the total of the following amounts:

【(i) An amount equal to 15 percent of the base payment for land covered by the conservation security contract.

【(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are in-

cluded in the conservation security contract, as described in subparagraph (C)(ii).

[(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).

[(2) LIMITATION ON PAYMENTS.—

[(A) IN GENERAL.—Subject to paragraphs (1) and (3), the Secretary shall make an annual payment, directly or indirectly, to an individual or entity covered by a conservation security contract in an amount not to exceed—

[(i) in the case of a Tier I conservation security contract, \$20,000;

[(ii) in the case of a Tier II conservation security contract, \$35,000; or

[(iii) in the case of a Tier III conservation security contract, \$45,000.

[(B) LIMITATION ON BASE PAYMENTS.—In applying the payment limitation under each of clauses (i), (ii), and (iii) of subparagraph (A), an individual or entity may not receive, directly or indirectly, payments described in clause (i) of paragraph (1)(C), (1)(D), or (1)(E), as appropriate, in an amount that exceeds—

[(i) in the case of Tier I contracts, 25 percent of the applicable payment limitation; or

[(ii) in the case of Tier II contracts and Tier III contracts, 30 percent of the applicable payment limitation.

[(C) OTHER USDA PAYMENTS.—A producer shall not receive payments under the conservation security program and any other conservation program administered by the Secretary for the same practices on the same land.

[(D) COMMENSURATE SHARE.—To be eligible to receive a payment under this subchapter, an individual or entity shall make contributions (including contributions of land, labor, management, equipment, or capital) to the operation of the farm that are at least commensurate with the share of the proceeds of the operation of the individual or entity.

[(3) EQUIPMENT OR FACILITIES.—A payment to a producer under this subchapter shall not be provided for—

[(A) construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

[(B) the purchase or maintenance of equipment or a non-land based structure that is not integral to a land-based practice, as determined by the Secretary.

[(c) MINIMUM PRACTICE REQUIREMENT.—In determining a payment under subsection (b) for a producer that receives a payment under another program administered by the Secretary that is contingent on complying with requirements under subtitle B or C (relating to the use of highly erodible land or wetland), a payment under this subchapter on land subject to those requirements shall be for practices only to the extent that the practices exceed minimum requirements for the producer under those subtitles, as determined by the Secretary.

[(d) REGULATIONS.—The Secretary shall promulgate regulations that—

[(1) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis; and

[(2) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (b).

[(e) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.—

[(1) IN GENERAL.—Except as provided in paragraph (2), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.

[(2) TRANSFER OF DUTIES AND RIGHTS.—Paragraph (1) shall not apply if, not later than 60 days after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract have been transferred to, and assumed by, the transferee.

[(f) ENROLLMENT PROCEDURE.—In entering into conservation security contracts with producers under this subchapter, the Secretary shall not use competitive bidding or any similar procedure.

[(g) TECHNICAL ASSISTANCE.—For each of fiscal years 2003 through 2007, the Secretary shall provide technical assistance to producers for the development and implementation of conservation security contracts, in an amount not to exceed 15 percent of amounts expended for the fiscal year.]

[Subchapter B—Conservation Stewardship Program

[SEC. 1238D. DEFINITIONS.

[In this subchapter:

[(1) AGRICULTURAL OPERATION.—The term “agricultural operation” means all eligible land, whether or not contiguous, that is—

[(A) under the effective control of a producer at the time the producer enters into a contract under the program; and

[(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.

[(2) CONSERVATION ACTIVITIES.—

[(A) IN GENERAL.—The term “conservation activities” means conservation systems, practices, or management measures.

[(B) INCLUSIONS.—The term “conservation activities” includes—

[(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and

[(ii) planning needed to address a priority resource concern.

[(3) CONSERVATION STEWARDSHIP PLAN.—The term “conservation stewardship plan” means a plan that—

[(A) identifies and inventories priority resource concerns;

[(B) establishes benchmark data and conservation objectives;

[(C) describes conservation activities to be implemented, managed, or improved; and

[(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.

[(4) ELIGIBLE LAND.—

[(A) IN GENERAL.—The term “eligible land” means—

[(i) private or tribal land on which agricultural commodities, livestock, or forest-related products are produced; and

[(ii) lands associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.

[(B) INCLUSIONS.—The term “eligible land” includes—

[(i) cropland;

[(ii) grassland;

[(iii) rangeland;

[(iv) pasture land;

[(v) nonindustrial private forest land; and

[(vi) other land in agricultural areas (including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock), as determined by the Secretary.

[(5) PRIORITY RESOURCE CONCERN.—The term “priority resource concern” means a natural resource concern or problem, as determined by the Secretary, that—

[(A) is identified at the national, State, or local level as a priority for a particular area of a State;

[(B) represents a significant concern in a State or region; and

[(C) is likely to be addressed successfully through the implementation of conservation activities under this program.

[(6) PROGRAM.—The term “program” means the conservation stewardship program established by this subchapter.

[(7) STEWARDSHIP THRESHOLD.—The term “stewardship threshold” means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.

[SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.

[(a) ESTABLISHMENT AND PURPOSE.—During each of fiscal years 2014 through 2018, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner—

[(1) by undertaking additional conservation activities; and

[(2) by improving, maintaining, and managing existing conservation activities.

[(b) EXCLUSIONS.—

[(1) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:

[(A) Land enrolled in the conservation reserve program, unless—

[(i) the conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and

[(ii) conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter.

[(B) Land enrolled in a wetland reserve easement through the agricultural conservation easement program.

[(C) Land enrolled in the conservation security program.

[(2) CONVERSION TO CROPLAND.—Eligible land used for crop production after the date of enactment of the Agricultural Act of 2014, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet such requirement because—

[(A) the land had previously been enrolled in the conservation reserve program;

[(B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or

[(C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.

[SEC. 1238F. STEWARDSHIP CONTRACTS.

[(a) SUBMISSION OF CONTRACT OFFERS.—To be eligible to participate in the conservation stewardship program, a producer shall submit to the Secretary a contract offer for the agricultural operation that—

[(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, meets or exceeds the stewardship threshold for at least 2 priority resource concerns; and

[(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—

[(A) installing and adopting additional conservation activities; and

[(B) improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.

[(b) EVALUATION OF CONTRACT OFFERS.—

[(1) RANKING OF APPLICATIONS.—In evaluating contract offers submitted under subsection (a), the Secretary shall rank applications based on—

[(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;

[(B) the degree to which the proposed conservation activities effectively increase conservation performance;

[(C) the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract;

[(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;

[(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and

[(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.

[(2) PROHIBITION.—The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

[(3) ADDITIONAL CRITERIA.—The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

[(c) ENTERING INTO CONTRACTS.—After a determination that a producer is eligible for the program under subsection (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.

[(d) CONTRACT PROVISIONS.—

[(1) TERM.—A conservation stewardship contract shall be for a term of 5 years.

[(2) REQUIRED PROVISIONS.—The conservation stewardship contract of a producer shall—

[(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);

[(B) require the producer—

[(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;

[(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and

[(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;

[(C) permit all economic uses of the eligible land that—

[(i) maintain the agricultural nature of the land; and

[(ii) are consistent with the conservation purposes of the conservation stewardship contract;

[(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to

comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;

[(E) include provisions requiring that upon the violation of a term or condition of the contract at any time the producer has control of the land—

[(i) if the Secretary determines that the violation warrants termination of the contract—

[(I) the producer shall forfeit all rights to receive payments under the contract; and

[(II) the producer shall refund all or a portion of the payments received by the producer under the contract, including any interest on the payments, as determined by the Secretary; or

[(ii) if the Secretary determines that the violation does not warrant termination of the contract, the producer shall refund or accept adjustments to the payments provided to the producer, as the Secretary determines to be appropriate;

[(F) include provisions in accordance with paragraphs (3) and (4); and

[(G) include any additional provisions the Secretary determines are necessary to carry out the program.

[(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—

[(A) IN GENERAL.—At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.

[(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if—

[(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in eligible land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that all duties and rights under the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;

[(ii) the transferee meets the eligibility requirements of the program; and

[(iii) the Secretary approves the transfer of all duties and rights under the contract.

[(4) MODIFICATION AND TERMINATION OF CONTRACTS.—

[(A) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract with a producer if—

[(i) the producer agrees to the modification or termination; and

[(ii) the Secretary determines that the modification or termination is in the public interest.

[(B) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.

[(5) REPAYMENT.—If a contract is terminated, the Secretary may, consistent with the purposes of the program—

[(A) allow the producer to retain payments already received under the contract; or

[(B) require repayment, in whole or in part, of payments received and assess liquidated damages.

[(e) CONTRACT RENEWAL.—At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—

[(1) demonstrates compliance with the terms of the initial contract;

[(2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation, as determined by the Secretary; and

[(3) agrees, by the end of the contract period—

[(A) to meet the stewardship threshold of at least 2 additional priority resource concerns on the agricultural operation; or

[(B) to exceed the stewardship threshold of 2 existing priority resource concerns that are specified by the Secretary in the initial contract.

[SEC. 1238G. DUTIES OF THE SECRETARY.

[(a) IN GENERAL.—To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—

[(1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, 1 of which shall occur in the first quarter of each fiscal year;

[(2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and

[(3) establish a science-based stewardship threshold for each priority resource concern identified under paragraph (2).

[(b) ALLOCATION TO STATES.—The Secretary shall allocate acres to States for enrollment, based—

[(1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and

[(2) also on consideration of—

[(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;

[(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

[(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.

[(c) ACREAGE ENROLLMENT LIMITATION.—During the period beginning on the date of enactment of the Agricultural Act of 2014, and ending on September 30, 2022, the Secretary shall, to the maximum extent practicable—

[(1) enroll in the program an additional 10,000,000 acres for each fiscal year; and

[(2) manage the program to achieve a national average rate of \$18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program.

[(d) CONSERVATION STEWARDSHIP PAYMENTS.—

[(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide annual payments under the program to compensate the producer for—

[(A) installing and adopting additional conservation activities; and

[(B) improving, maintaining, and managing conservation activities in place at the agricultural operation of the producer at the time the contract offer is accepted by the Secretary.

[(2) PAYMENT AMOUNT.—The amount of the annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:

[(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.

[(B) Income forgone by the producer.

[(C) Expected conservation benefits.

[(D) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation.

[(E) The level of stewardship in place at the time of application and maintained over the term of the contract.

[(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.

[(G) Such other factors as are determined appropriate by the Secretary.

[(3) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—

[(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

[(B) conservation activities for which there is no cost incurred or income forgone to the producer.

[(4) DELIVERY OF PAYMENTS.—In making payments under this subsection, the Secretary shall, to the extent practicable—

[(A) prorate conservation performance over the term of the contract so as to accommodate, to the extent practicable, producers earning equal annual payments in each fiscal year; and

[(B) make such payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.

[(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—

[(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve resource-conserving

crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.

[(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1) based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

[(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.

[(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term “resource-conserving crop rotation” means a crop rotation that—

- [(A) includes at least 1 resource-conserving crop (as defined by the Secretary);
- [(B) reduces erosion;
- [(C) improves soil fertility and tilth;
- [(D) interrupts pest cycles; and
- [(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

[(f) PAYMENT LIMITATIONS.—A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed \$200,000 under all contracts entered into during fiscal years 2014 through 2018, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.

[(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.

[(h) COORDINATION WITH ORGANIC CERTIFICATION.—The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.

[(i) REGULATIONS.—The Secretary shall promulgate regulations that—

- [(1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and
- [(2) otherwise enable the Secretary to carry out the program.]

* * * * *

CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

* * * * *

SEC. 1240A. DEFINITIONS.

In this chapter:

- (1) ELIGIBLE LAND.—

(A) IN GENERAL.—The term “eligible land” means land on which agricultural commodities, livestock, or forest-related products are produced.

(B) INCLUSIONS.—The term “eligible land” includes the following:

- (i) Cropland.
- (ii) Grassland.
- (iii) Rangeland.
- (iv) Pasture land.
- (v) Nonindustrial private forest land.
- (vi) Other agricultural land (including cropped woodland, marshes, and agricultural land used for the production of livestock) on which resource concerns related to agricultural production could be addressed through a contract under the program, as determined by the Secretary.

(2) ORGANIC SYSTEM PLAN.—The term “organic system plan” means an organic plan approved under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(3) PAYMENT.—The term “payment” means financial assistance provided to a producer for performing practices under this chapter, including compensation for—

(A) incurred costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and

(B) income forgone by the producer.

(4) PRACTICE.—The term “practice” means 1 or more improvements and conservation activities that are consistent with the purposes of the program under this chapter, as determined by the Secretary, including—

(A) improvements to eligible land of the producer, including—

- (i) structural practices;
- (ii) land management practices;
- (iii) vegetative practices;
- (iv) forest management; and
- (v) other practices that the Secretary determines would further the purposes of the program; and

(B) conservation activities involving the development of plans appropriate for the eligible land of the producer, including—

(i) comprehensive nutrient management planning~~;~~
and~~];~~

(ii) *precision conservation management planning*;

(iii) *the use of cover crops and resource conserving crop rotations*; and

~~[(ii)]~~ (iv) other plans that the Secretary determines would further the purposes of the program under this chapter.

(5) PRIORITY RESOURCE CONCERN.—The term “priority resource concern” means a natural resource concern or problem, as determined by the Secretary, that—

(A) is identified at the national, State, or local level as a priority for a particular area of a State; and

(B) represents a significant concern in a State or region.

[(5)] (6) PROGRAM.—The term “program” means the environmental quality incentives program established by this chapter.

(7) STEWARDSHIP PRACTICE.—The term “stewardship practice” means a practice or set of practices approved by the Secretary that, when implemented and maintained on eligible land, address 1 or more priority resource concerns.

SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION.

(a) ESTABLISHMENT.—During each of the 2002 through [2019] 2023 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.

(b) PRACTICES AND TERM.—

(1) PRACTICES.—A contract under the program may apply to the performance of one or more practices.

(2) TERM.—A contract under the program shall have a term that does not exceed 10 years.

(c) BIDDING DOWN.—If the Secretary determines that the environmental values of two or more applications for payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program.

(d) PAYMENTS.—

(1) AVAILABILITY OF PAYMENTS.—Payments are provided to a producer to implement one or more practices under the program.

(2) LIMITATION ON PAYMENT AMOUNTS.—A payment to a producer for performing a practice may not exceed, as determined by the Secretary—

(A) 75 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training;

(B) 100 percent of income foregone by the producer; or

(C) in the case of a practice consisting of elements covered under subparagraphs (A) and (B)—

(i) 75 percent of the costs incurred for those elements covered under subparagraph (A); and

(ii) 100 percent of income foregone for those elements covered under subparagraph (B).

(3) SPECIAL RULE INVOLVING PAYMENTS FOR FOREGONE INCOME.—In determining the amount and rate of payments under paragraph (2)(B), the Secretary may accord great significance to a practice that, as determined by the Secretary, promotes—

(A) soil health;

(B) water quality and quantity improvement;

(C) nutrient management;

(D) pest management;

(E) air quality improvement;

(F) wildlife habitat development, including pollinator habitat; or

(G) invasive species management.

(4) INCREASED PAYMENTS FOR CERTAIN PRODUCERS.—

(A) IN GENERAL.—Notwithstanding paragraph (2), in the case of a producer that is a limited resource, socially dis-

advantaged farmer or rancher, a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))), or a beginning farmer or rancher, the Secretary shall increase the amount that would otherwise be provided to a producer under this subsection—

(i) to not more than 90 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and

(ii) to not less than 25 percent above the otherwise applicable rate.

(B) ADVANCE PAYMENTS.—

(i) **IN GENERAL.**—Not more than 50 percent of the amount determined under subparagraph (A) may be provided in advance for the purpose of purchasing materials or contracting.

(ii) **RETURN OF FUNDS.**—If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable timeframe, as determined by the Secretary.

(5) FINANCIAL ASSISTANCE FROM OTHER SOURCES.—Except as provided in paragraph (6), any payments received by a producer from a State or private organization or person for the implementation of one or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under this subsection.

(6) OTHER PAYMENTS.—A producer shall not be eligible for payments for practices on eligible land under the program if the producer receives payments or other benefits for the same practice on the same land under another program under this subtitle.

(e) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under the program if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under the program if the Secretary determines that the producer violated the contract.

[(f) ALLOCATION OF FUNDING.—

[(1) LIVESTOCK.—For each of fiscal years 2014 through 2018, at least 60 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production.

[(2) WILDLIFE HABITAT.—For each of fiscal years 2014 through 2018, at least 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).]

(f) ALLOCATION OF FUNDING.—For each of fiscal years 2014 through 2023, at least 5 percent of the funds made available for

payments under the program shall be targeted at practices benefiting wildlife habitat under subsection (g).

(g) WILDLIFE HABITAT INCENTIVE PROGRAM.—

(1) IN GENERAL.—The Secretary shall provide payments under the environmental quality incentives program for conservation practices that support the restoration, development, protection, and improvement of wildlife habitat on eligible land, including—

- (A) upland wildlife habitat;
- (B) wetland wildlife habitat;
- (C) habitat for threatened and endangered species;
- (D) fish habitat;
- (E) habitat on pivot corners and other irregular areas of a field; and
- (F) other types of wildlife habitat, as determined by the Secretary.

(2) STATE TECHNICAL COMMITTEE.—In determining the practices eligible for payment under paragraph (1) and targeted for funding under subsection (f), the Secretary shall consult with the relevant State technical committee not less often than once each year.

(h) WATER CONSERVATION OR IRRIGATION EFFICIENCY PRACTICE.—

[(1) AVAILABILITY OF PAYMENTS.—The Secretary may provide payments under this subsection to a producer for a water conservation or irrigation practice.]

(1) AVAILABILITY OF PAYMENTS.—The Secretary may provide water conservation and system efficiency payments under this subsection to a producer for—

- (A) a water conservation scheduling technology or water conservation scheduling management;*
- (B) irrigation-related structural practices; or*
- (C) a transition to water-conserving crops or water-conserving crop rotations.*

(2) LIMITED ELIGIBILITY OF IRRIGATION DISTRICTS, IRRIGATION ASSOCIATIONS, AND ACEQUIAS.—

(A) IN GENERAL.—Notwithstanding section 1001(f)(6), the Secretary may enter into a contract under this subsection with an irrigation district, irrigation association, or acequia to implement water conservation or irrigation practices pursuant to a watershed-wide project that will effectively conserve water, as determined by the Secretary.

(B) IMPLEMENTATION.—Water conservation or irrigation practices that are the subject of a contract entered into under this paragraph shall be implemented on—

- (i) eligible land of a producer; or*
- (ii) land that is under the control of the irrigation district, irrigation association, or acequia, and adjacent to such eligible land, as determined by the Secretary.*

(C) WAIVER AUTHORITY.—The Secretary may waive the applicability of the limitations in section 1001D(b)(2) or section 1240G of this Act for a payment made under a contract entered into under this paragraph if the Secretary de-

termines that such a waiver is necessary to fulfill the objectives of the project.

(D) *CONTRACT LIMITATIONS.—If the Secretary grants a waiver under subparagraph (C), the Secretary may impose a separate payment limitation for the contract with respect to which the waiver applies.*

[(2)] (3) *PRIORITY.—In providing payments [to a producer] under this subsection for a water conservation or irrigation practice, the Secretary shall give priority to applications in which—*

(A) *consistent with the law of the State in which [the eligible land of the producer is located, there is a reduction in water use in the operation of the producer] the land on which the practices will be implemented is located, there is a reduction in water use in the operation on such land; or*

(B) *with respect to an application under paragraph (1), the producer agrees not to use any associated water savings to bring new land, other than incidental land needed for efficient operations, under irrigated production, unless the producer is participating in a watershed-wide project that will effectively conserve water, as determined by the Secretary.*

(i) *PAYMENTS FOR CONSERVATION PRACTICES RELATED TO ORGANIC PRODUCTION.—*

(1) *PAYMENTS AUTHORIZED.—The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related—*

(A) *to organic production; and*

(B) *to the transition to organic production.*

(2) *ELIGIBILITY REQUIREMENTS.—As a condition for receiving payments under this subsection, a producer shall agree—*

(A) *to develop and carry out an organic system plan; or*

(B) *to develop and implement conservation practices for certified organic production that are consistent with an organic system plan and the purposes of this chapter.*

(3) *PAYMENT LIMITATIONS.—Payments under this subsection to a person or legal entity, directly or indirectly, may not exceed, in the aggregate, \$20,000 per year or \$80,000 during any 6-year period. In applying these limitations, the Secretary shall not take into account payments received for technical assistance.*

(4) *EXCLUSION OF CERTAIN ORGANIC CERTIFICATION COSTS.—Payments may not be made under this subsection to cover the costs associated with organic certification that are eligible for cost-share payments under section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523).*

(5) *TERMINATION OF CONTRACTS.—The Secretary may cancel or otherwise nullify a contract to provide payments under this subsection if the Secretary determines that the producer—*

(A) *is not pursuing organic certification; or*

(B) *is not in compliance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq).*

(j) *STEWARDSHIP CONTRACTS.—*

(1) *IDENTIFICATION OF ELIGIBLE PRIORITY RESOURCE CONCERNS FOR STATES.—*

(A) *IN GENERAL.*—The Secretary, in consultation with the State technical committee, shall identify priority resource concerns within a State that are eligible to be the subject of a stewardship contract under this subsection.

(B) *LIMITATION.*—The Secretary shall identify not more than 3 eligible priority resource concerns under subparagraph (A) within each area of a State.

(2) *CONTRACTS.*—

(A) *IN GENERAL.*—The Secretary shall enter into contracts with producers under this subsection that—

(i) provide incentives, through annual payments, to producers to attain increased conservation stewardship on eligible land;

(ii) adopt and install a stewardship practice to effectively address a priority resource concern identified as eligible under paragraph (1); and

(iii) require management and maintenance of such stewardship practice for the term of the contract.

(B) *TERM.*—A contract under this subsection shall have a term of not less than 5, nor more than 10, years.

(C) *PRIORITIZATION.*—Section 1240C(b) shall not apply to applications for contracts under this subsection.

(3) *STEWARDSHIP PAYMENTS.*—

(A) *IN GENERAL.*—The Secretary shall provide payments to producers through contracts entered into under paragraph (2) for—

(i) adopting and installing stewardship practices; and

(ii) managing, maintaining, and improving the stewardship practices for the duration of the contract, as determined appropriate by the Secretary.

(B) *PAYMENT AMOUNTS.*—In determining the amount of payments under subparagraph (A), the Secretary shall consider, to the extent practicable—

(i) the level and extent of the stewardship practice to be installed, adopted, completed, maintained, managed, or improved;

(ii) the cost of the installation, adoption, completion, management, maintenance, or improvement of the stewardship practice;

(iii) income foregone by the producer; and

(iv) the extent to which compensation would ensure long-term continued maintenance, management, and improvement of the stewardship practice.

(C) *LIMITATION.*—The total amount of payments a person or legal entity receives pursuant to subparagraph (A) shall not exceed \$50,000 for any fiscal year.

(4) *RESERVATION OF FUNDS.*—The Secretary may use not more than 50 percent of the funds made available under section 1241 to carry out this chapter for payments made pursuant to this subsection.

* * * * *

SEC. 1240G. LIMITATION ON PAYMENTS.

A person or legal entity may not receive, directly or indirectly, cost-share or incentive payments under this chapter that, in aggregate, exceed \$450,000 for all contracts entered into under this chapter by the person or legal entity during the period of fiscal years 2014 through 2018, *or the period of fiscal years 2019 through 2023*, regardless of the number of contracts entered into under this chapter by the person or legal entity.

SEC. 1240H. CONSERVATION INNOVATION GRANTS AND PAYMENTS.**(a) COMPETITIVE GRANTS FOR INNOVATIVE CONSERVATION APPROACHES.—**

(1) **GRANTS.**—Out of the funds made available to carry out this chapter, the Secretary may *use not more than \$25,000,000 in each of fiscal years 2019 through 2023* to pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging the Federal investment in environmental enhancement and protection, in conjunction with agricultural production or forest resource management, through the program.

(2) **USE.**—The Secretary may provide grants under this subsection to governmental and non-governmental organizations and persons, on a competitive basis, to carry out projects that—

(A) involve producers who are eligible for payments or technical assistance under the program *or persons participating in an educational activity through an institution of higher education, including by carrying out demonstration projects on lands of the institution;*

(B) leverage Federal funds made available to carry out the program under this chapter with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production;

(C) ensure efficient and effective transfer of innovative technologies and approaches demonstrated through projects that receive funding under this section, such as market systems for pollution reduction and practices for the storage of carbon in soil;

(D) provide environmental and resource conservation benefits through increased participation by producers of specialty crops;

(E) facilitate on-farm conservation research and demonstration activities; and

(F) facilitate pilot testing of new technologies or innovative conservation practices.

(b) AIR QUALITY CONCERNS FROM AGRICULTURAL OPERATIONS.—

(1) **IMPLEMENTATION ASSISTANCE.**—The Secretary shall provide payments under this subsection to producers to implement practices to address air quality concerns from agricultural operations and to meet Federal, State, and local regulatory requirements. The funds shall be made available on the basis of air quality concerns in a State and shall be used to provide payments to producers that are cost effective and reflect innovative technologies.

(2) FUNDING.—Of the funds made available to carry out this chapter, the Secretary shall carry out this subsection using \$25,000,000 for each of fiscal years 2009 through 2018, and \$37,500,000 for each of fiscal years 2019 through 2023.

[(c) REPORTING.—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of projects funded under this section, including—

[(1) funding awarded;

[(2) project results; and

[(3) incorporation of project findings, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.]

(c) ON-FARM CONSERVATION INNOVATION TRIALS.—

(1) IN GENERAL.—Using not more than \$25,000,000 of the funds made available to carry out this chapter in each of fiscal years 2019 through 2023, the Secretary shall carry out on-farm conservation innovation trials, on eligible land of producers, to test new or innovative conservation approaches—

(A) directly with producers; or

(B) through eligible entities.

(2) INCENTIVE PAYMENTS.—

(A) AGREEMENTS.—In carrying out paragraph (1), the Secretary shall enter into agreements with producers on whose land an on-farm conservation innovation trial is being carried out to provide payments (including payments to compensate for foregone income, as appropriate to address the increased economic risk potentially associated with new or innovative conservation approaches) to the producers to assist with adopting and evaluating new or innovative conservation approaches.

(B) LENGTH OF INCENTIVES.—An agreement entered into under subparagraph (A) shall be for a period determined by the Secretary that is—

(i) not less than 3 years; and

(ii) if appropriate, more than 3 years, including if such a period is appropriate to support—

(I) adaptive management over multiple crop years; and

(II) adequate data collection and analysis to report the natural resource and agricultural production benefits of the new or innovative conservation approaches.

(3) FLEXIBLE ADOPTION.—A producer or eligible entity participating in an on-farm conservation innovation trial under paragraph (1) may determine the scale of adoption of the new or innovative conservation approaches in the on-farm conservation innovation trial, which may include multiple scales on an operation, including whole farm, field-level, or sub-field scales.

(4) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance—

(A) to a producer or eligible entity participating in an on-farm conservation innovation trial under paragraph (1),

with respect to the design, installation, and management of the new or innovative conservation approaches; and

(B) to an eligible entity participating in an on-farm conservation innovation trial under paragraph (1), with respect to data analyses of the on-farm conservation innovation trial.

(5) *DEFINITIONS.—In this subsection:*

(A) ELIGIBLE ENTITY.—The term “eligible entity” means a third-party private entity the primary business of which is related to agriculture.

(B) NEW OR INNOVATIVE CONSERVATION APPROACHES.—The term “new or innovative conservation approaches” means—

(i) new or innovative—

(I) precision agriculture technologies;

(II) enhanced nutrient management plans, nutrient recovery systems, and fertilization systems;

(III) soil health management systems;

(IV) water management systems;

(V) resource-conserving crop rotations;

(VI) cover crops; and

(VII) irrigation systems; and

(ii) any other conservation approach approved by the Secretary as new or innovative.

(d) REPORTING AND DATABASE.—

(1) REPORT REQUIRED.—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of activities funded under this section, including—

(A) funding awarded;

(B) results of the activities; and

(C) incorporation of findings from the activities, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.

(2) CONSERVATION PRACTICE DATABASE.—

(A) IN GENERAL.—The Secretary shall use the data reported under paragraph (1) to establish and maintain a publicly available conservation practice database that provides—

(i) a compilation and analysis of effective conservation practices for soil health, nutrient management, and source water protection in varying soil compositions, cropping systems, slopes, and landscapes; and

(ii) a list of recommended new and effective conservation practices.

(B) PRIVACY.—Information provided under subparagraph

(A) shall be transformed into a statistical or aggregate form so as to not include any identifiable or personal information of individual producers.

CHAPTER 5—OTHER CONSERVATION PROGRAMS

SEC. 1240M. CONSERVATION OF PRIVATE GRAZING LAND.

(a) PURPOSE.—It is the purpose of this section to authorize the Secretary to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

- (1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;
- (2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;
- (3) conserving and improving wildlife habitat on private grazing land;
- (4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;
- (5) protecting and improving water quality;
- (6) improving the dependability and consistency of water supplies;
- (7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and
- (8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(b) DEFINITIONS.—In this section:

- (1) DEPARTMENT.—The term “Department” means the Department of Agriculture.
- (2) PRIVATE GRAZING LAND.—The term “private grazing land” means private, State-owned, tribally-owned, and any other non-federally owned rangeland, pastureland, grazed forest land, and hay land.
- (3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(c) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations for this section, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

- (A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;
- (B) implementing grazing land management technologies;
- (C) managing resources on private grazing land, including—
 - (i) planning, managing, and treating private grazing land resources;
 - (ii) ensuring the long-term sustainability of private grazing land resources;

(iii) harvesting, processing, and marketing private grazing land resources; and

(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

(D) protecting and improving the quality and quantity of water yields from private grazing land;

(E) maintaining and improving wildlife and fish habitat on private grazing land;

(F) enhancing recreational opportunities on private grazing land;

(G) maintaining and improving the aesthetic character of private grazing land;

(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises; and

(I) encouraging the use of sustainable grazing systems, such as year-round, rotational, or managed grazing.

(2) PROGRAM ELEMENTS.—

(A) FUNDING.—If funding is provided to carry out this section, it shall be provided through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

(d) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

(1) FINDINGS.—Congress finds that—

(A) there is a severe lack of technical assistance for farmers and ranchers that graze livestock;

(B) Federal budgetary constraints preclude any significant expansion, and may force a reduction of, current levels of technical support; and

(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—In accordance with paragraph (3), the Secretary may establish 2 grazing management demonstration districts at the recommendation of the grazing land conservation initiative steering committee.

(3) PROCEDURE.—

(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

(i) is reasonable;

(ii) will promote sound grazing practices; and

(iii) contains provisions similar to the provisions contained in the beef promotion and research order issued under section 4 of the Beef Research and Information Act (7 U.S.C. 2903) in effect on April 4, 1996.

(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of an application by farmers or ranchers.

(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$60,000,000 for each of fiscal years 2002 through [2018] 2023.

SEC. 12400. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of this section, operates a well-head or groundwater protection program in the State.

(b) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2008 through [2018] 2023.

(2) AVAILABILITY OF FUNDS.—In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use \$5,000,000, to remain available until expended.

(3) *ADDITIONAL FUNDING.—In addition to any other funds made available under this subsection, of the funds of the Commodity Credit Corporation, the Secretary shall use \$5,000,000 beginning in fiscal year 2019, to remain available until expended.*

SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a voluntary public access program under which States and tribal governments may apply for grants to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing under programs administered by the States and tribal governments.

(b) APPLICATIONS.—In submitting applications for a grant under the program, a State or tribal government shall describe—

(1) the benefits that the State or tribal government intends to achieve by encouraging public access to private farm and ranch land for—

- (A) hunting and fishing; and
- (B) to the maximum extent practicable, other recreational purposes; and
- (2) the methods that will be used to achieve those benefits.
- (c) PRIORITY.—In approving applications and awarding grants under the program, the Secretary shall give priority to States and tribal governments that propose—
 - (1) to maximize participation by offering a program the terms of which are likely to meet with widespread acceptance among landowners;
 - (2) to ensure that land enrolled under the State or tribal government program has appropriate wildlife habitat;
 - (3) to strengthen wildlife habitat improvement efforts on land enrolled in a special conservation reserve enhancement program described in section 1234(f)(4) by providing incentives to increase public hunting and other recreational access on that land;
 - (4) to use additional Federal, State, tribal government, or private resources in carrying out the program; and
 - (5) to make available to the public the location of land enrolled.
- (d) RELATIONSHIP TO OTHER LAWS.—
 - (1) NO PREEMPTION.—Nothing in this section preempts a State or tribal government law, including any State or tribal government liability law.
 - (2) EFFECT OF INCONSISTENT OPENING DATES FOR MIGRATORY BIRD HUNTING.—The Secretary shall reduce by 25 percent the amount of a grant otherwise determined for a State under the program if the opening dates for migratory bird hunting in the State are not consistent for residents and non-residents.
- (e) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.
- (f) FUNDING.—
 - (1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to the maximum extent practicable, \$50,000,000 for the period of fiscal years 2009 through ~~2012 and~~ 2012, \$40,000,000 for the period of fiscal years 2014 through 2018, and \$50,000,000 for the period of fiscal years 2019 through 2023.
 - (2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2013.

Subtitle E—Funding and Administration

SEC. 1241. COMMODITY CREDIT CORPORATION.

- (a) ANNUAL FUNDING.—For each of fiscal years 2014 through ~~2018 (and fiscal year 2019 in the case of the program specified in paragraph (5))~~ 2023, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this title (including the provision of technical assistance):

(1) The conservation reserve program under subchapter B of chapter 1 of subtitle D, including, to the maximum extent practicable—

(A) \$10,000,000 for the period of fiscal years 2014 through **2018** 2023 to provide payments under section 1234(c); and

(B) \$33,000,000 for the period of fiscal years 2014 through **2018** 2023 to carry out section 1235(f) to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

(2) The agricultural conservation easement program under subtitle H using to the maximum extent practicable—

(A) \$400,000,000 for fiscal year 2014;

(B) \$425,000,000 for fiscal year 2015;

(C) \$450,000,000 for fiscal year 2016;

(D) \$500,000,000 for fiscal year 2017; **and**

(E) \$250,000,000 for fiscal year 2018~~].~~; and

(F) \$500,000,000 for each of fiscal years 2019 through 2023.

[(3)] (3) The conservation security program under subchapter A of chapter 2 of subtitle D, using such sums as are necessary to administer contracts entered into before September 30, 2008.

[(4)] (3) The conservation stewardship program under subchapter B of chapter 2 of subtitle D, *as in effect on the day before the date of enactment of the Agriculture and Nutrition Act of 2018, using such sums as are necessary to administer contracts entered into before the earlier of September 30, 2018, or such date of enactment.*

[(5)] (4) The environmental quality incentives program under chapter 4 of subtitle D, using, to the maximum extent practicable—

(A) \$1,350,000,000 for fiscal year 2014;

(B) \$1,600,000,000 for fiscal year 2015;

(C) \$1,650,000,000 for fiscal year 2016;

(D) \$1,650,000,000 for fiscal year 2017; **and**

(E) \$1,750,000,000 for **each of fiscal years 2018 through 2019.** *fiscal year 2018;*

(F) \$2,000,000,000 for *fiscal year 2019;*

(G) \$2,500,000,000 for *fiscal year 2020;*

(H) \$2,750,000,000 for *fiscal year 2021;*

(I) \$2,935,000,000 for *fiscal year 2022; and*

(J) \$3,000,000,000 for *fiscal year 2023.*

(b) AVAILABILITY OF FUNDS.—Amounts made available by subsection (a) for fiscal years 2014 through **2018 (and fiscal year 2019 in the case of the program specified in subsection (a)(5))** 2023 shall be used by the Secretary to carry out the programs specified in such subsection and shall remain available until expended.

(c) TECHNICAL ASSISTANCE.—

(1) AVAILABILITY.—Commodity Credit Corporation funds made available for a fiscal year for each of the programs specified in subsection (a)—

(A) shall be available for the provision of technical assistance for the programs for which funds are made available as necessary to implement the programs effectively;

(B) except for technical assistance for the conservation reserve program under subchapter B of chapter 1 of subtitle D, shall be apportioned for the provision of technical assistance in the amount determined by the Secretary, at the sole discretion of the Secretary; and

(C) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the program for which the funds were made available.

[(2) PRIORITY.—

[(A) IN GENERAL.—In the delivery of technical assistance under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.), the Secretary shall give priority to producers who request technical assistance from the Secretary in order to comply for the first time with the requirements of subtitle B and subtitle C of this title as a result of the amendments made by section 2611 of the Agricultural Act of 2014.

[(B) REPORT.—Not later than 270 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report regarding the extent to which the conservation compliance requirements contained in the amendments made by section 2611 of the Agricultural Act of 2014 apply to and impact specialty crop growers, including national analysis and surveys to determine the extent of specialty crop acreage that includes highly erodible land and wetlands.

[(3) REPORT.—Not later than December 31, 2014, the Secretary shall submit (and update as necessary in subsequent years) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

[(A) detailing the amount of technical assistance funds requested and apportioned in each program specified in subsection (a) during the preceding fiscal year; and

[(B) any other data relating to this provision that would be helpful to such Committees.]

(2) PRIORITY.—In the delivery of technical assistance under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.), the Secretary shall give priority to producers who request technical assistance from the Secretary in order to comply for the first time with the requirements of subtitle B and subtitle C of this title as a result of the amendments made by section 2611 of the Agricultural Act of 2014.

[(4)] (3) COMPLIANCE REPORT.—Not later than November 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—

- (A) a description of the extent to which the requests for highly erodible land conservation and wetland compliance determinations are being addressed in a timely manner;
 - (B) the total number of requests completed in the previous fiscal year;
 - (C) the incomplete determinations on record; and
 - (D) the number of requests that are still outstanding more than 1 year since the date on which the requests were received from the producer.
- (d) **RELATIONSHIP TO OTHER LAW.**—The use of Commodity Credit Corporation funds under subsection (c) to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).
- [(e) REGIONAL EQUITY.**—
- [(1) EQUITABLE DISTRIBUTION.**—When determining funding allocations each fiscal year, the Secretary shall, after considering available funding and program demand in each State, provide a distribution of funds for conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1), subtitle H, and subtitle I to ensure equitable program participation proportional to historical funding allocations and usage by all States.
 - [(2) MINIMUM PERCENTAGE.**—In determining the specific funding allocations under paragraph (1), the Secretary shall—
 - [(A)** ensure that during the first quarter of each fiscal year each State has the opportunity to establish that the State can use an aggregate allocation amount of at least 0.6 percent of the funds made available for those conservation programs; and
 - [(B)** for each State that can so establish, provide an aggregate amount of at least 0.6 percent of the funds made available for those conservation programs.
- [(f) (e) ACCEPTANCE AND USE OF CONTRIBUTIONS.**—
- (1) **AUTHORITY TO ESTABLISH CONTRIBUTION ACCOUNTS.**—Subject to paragraph (2), the Secretary may establish a sub-account for each conservation program administered by the Secretary under subtitle D to accept contributions of non-Federal funds to support the purposes of the program.
 - (2) **DEPOSIT AND USE OF CONTRIBUTIONS.**—Contributions of non-Federal funds received for a conservation program administered by the Secretary under subtitle D shall be deposited into the sub-account established under this subsection for the program and shall be available to the Secretary, without further appropriation and until expended, to carry out the program.
- [(g) (f) ALLOCATIONS REVIEW AND UPDATE.**—
- (1) **REVIEW.**—Not later than January 1, 2012, the Secretary shall conduct a review of conservation programs and authorities under this title that utilize allocation formulas to determine the sufficiency of the formulas in accounting for State-level economic factors, level of agricultural infrastructure, or related factors that affect conservation program costs.

(2) UPDATE.—The Secretary shall improve conservation program allocation formulas as necessary to ensure that the formulas adequately reflect the costs of carrying out the conservation programs.

[(h)] (g) ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.—

(1) ASSISTANCE.—Of the funds made available for each of fiscal years 2009 through **[2018 to carry out the environmental quality incentives program and the acres made available for each of such fiscal years to carry out the conservation stewardship program]** *2023 to carry out the environmental quality incentives program*, the Secretary shall use, to the maximum extent practicable—

(A) 5 percent to assist beginning farmers or ranchers; and

(B) 5 percent to assist socially disadvantaged farmers or ranchers.

(2) REPOOLING OF FUNDS.—In any fiscal year, amounts not obligated under paragraph (1) by a date determined by the Secretary shall be available for payments and technical assistance to all persons eligible for payments or technical assistance in that fiscal year under the environmental quality incentives program.

[(3)] REPOOLING OF ACRES.—In any fiscal year, acres not obligated under paragraph (1) by a date determined by the Secretary shall be available for use in that fiscal year under the conservation stewardship program.

[(4)] (3) PREFERENCE.—In providing assistance under paragraph (1), the Secretary shall give preference to a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))) that qualifies under subparagraph (A) or (B) of paragraph (1).

[(i)] REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.—Beginning in calendar year 2009, and each year thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a semiannual report containing statistics by State related to enrollments in conservation programs under this subtitle, as follows:

[(1)] Payments made under the agricultural conservation easement program for easements valued at \$250,000 or greater.

[(2)] Payments made under the environmental quality incentives program for land determined to have special environmental significance pursuant to section 1240G(b).

[(3)] Payments made under the regional conservation partnership program subject to the waiver of adjusted gross income limitations pursuant to section 1271C(c)(3).

[(4)] Waivers granted by the Secretary under section 1001D(b)(2) of this Act in order to protect environmentally sensitive land of special significance.

[(5)] Payments made under the conservation stewardship program.

[(6) Exceptions provided by the Secretary under section 1265B(b)(2)(C).]

(h) *REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.*—Not later than December 15 of each of calendar years 2018 through 2023, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report containing statistics by State related to enrollments in conservation programs under this subtitle, as follows:

(1) *The annual and current cumulative activity reflecting active agreement and contract enrollment statistics.*

(2) *Secretarial exceptions, waivers, and significant payments, including—*

(A) *payments made under the agricultural conservation easement program for easements valued at \$250,000 or greater;*

(B) *payments made under the regional conservation partnership program subject to the waiver of adjusted gross income limitations pursuant to section 1271C(c)(3);*

(C) *wavers granted by the Secretary under section 1001D(b)(3) of this Act;*

(D) *exceptions and activity associated with section 1240B(h)(2); and*

(E) *exceptions provided by the Secretary under section 1265B(b)(2)(C).*

SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.

[(a) DEFINITION OF ELIGIBLE PARTICIPANT.—In this section, the term “eligible participant” means a producer, landowner, or entity that is participating in, or seeking to participate in, programs for which the producer, landowner, or entity is otherwise eligible to participate in under this title or the agricultural management assistance program under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524).]

(a) *DEFINITIONS.*—*In this section:*

(1) *ELIGIBLE PARTICIPANT.*—*The term “eligible participant” means a producer, landowner, or entity that is participating in, or seeking to participate in, programs in which the producer, landowner, or entity is otherwise eligible to participate under this title.*

(2) *THIRD-PARTY PROVIDER.*—*The term “third-party provider” means a commercial entity (including a farmer cooperative, agriculture retailer, or other commercial entity (as defined by the Secretary)), a nonprofit entity, a State or local government (including a conservation district), or a Federal agency, that has expertise in the technical aspect of conservation planning, including nutrient management planning, watershed planning, or environmental engineering.*

(b) *PURPOSE OF TECHNICAL ASSISTANCE.*—*The purpose of technical assistance authorized by this section is to provide eligible participants with consistent, science-based, site-specific practices designed to achieve conservation objectives on land active in agricultural, forestry, or related uses.*

(c) *PROVISION OF TECHNICAL ASSISTANCE.*—*The Secretary shall provide technical assistance under this title to an eligible participant—*

- (1) directly;
 - (2) through an agreement with a third-party provider; or
 - (3) at the option of the eligible participant, through a payment, as determined by the Secretary, to the eligible participant for an approved third-party provider, if available.
- (d) NON-FEDERAL ASSISTANCE.—The Secretary may request the services of, and enter into cooperative agreements or contracts with, other agencies within the Department or non-Federal entities to assist the Secretary in providing technical assistance necessary to assist in implementing conservation programs under this title.
- (e) CERTIFICATION OF THIRD-PARTY PROVIDERS.—
- (1) PURPOSE.—The purpose of the third-party provider program is to increase the availability and range of technical expertise available to eligible participants to plan and implement conservation measures.
 - (2) REGULATIONS.—Not later than 180 days after the date of the enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall promulgate such regulations as are necessary to carry out this section.
 - (3) EXPERTISE.—In promulgating such regulations, the Secretary, to the maximum extent practicable, shall—
 - (A) ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, and environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of the technical assistance;
 - (B) provide national criteria for the certification of [third party] *third-party* providers; and
 - (C) approve any unique certification standards established at the State level.
 - (4) ALTERNATIVE CERTIFICATION.—
 - (A) *IN GENERAL.*—*In carrying out this subsection, the Secretary shall approve any qualified certification that the Secretary determines meets or exceeds the national criteria provided under paragraph (3)(B).*
 - (B) *QUALIFIED CERTIFICATION.*—*In this paragraph, the term “qualified certification” means a professional certification that is established by the Secretary, an agriculture retailer, a farmer cooperative, the American Society of Agronomy, or the National Alliance of Independent Crop Consultants, including certification—*
 - (i) *as a Certified Crop Advisor by the American Society of Agronomy;*
 - (ii) *as a Certified Professional Agronomist by the American Society of Agronomy; and*
 - (iii) *as a Comprehensive Nutrient Management Plan Specialist by the Secretary.*
- (f) ADMINISTRATION.—
- (1) FUNDING.—Effective for fiscal year 2008 and each subsequent fiscal year, funds of the Commodity Credit Corporation made available to carry out technical assistance for each of the programs specified in section 1241 shall be available for the provision of technical assistance from third-party providers under this section.

- (2) **TERM OF AGREEMENT.**—An agreement with a third-party provider under this section shall have a term that—
- (A) at a minimum, is equal to the period beginning on the date on which the agreement is entered into and ending on the date that is 1 year after the date on which all activities performed pursuant to the agreement have been completed;
 - (B) does not exceed 3 years; and
 - (C) can be renewed, as determined by the Secretary.
- (3) **REVIEW OF CERTIFICATION REQUIREMENTS.**—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall—
- (A) review certification requirements for third-party providers; and
 - (B) make any adjustments considered necessary by the Secretary to improve participation.
- (4) **ELIGIBLE ACTIVITIES.**—
- (A) **INCLUSION OF ACTIVITIES.**—The Secretary may include as activities eligible for payments to a **third party** *third-party* provider—
 - (i) technical services provided directly to eligible participants, such as conservation planning, education and outreach, and assistance with design and implementation of conservation practices; and
 - (ii) related technical assistance services that accelerate conservation program delivery.
 - (B) **EXCLUSIONS.**—The Secretary shall not designate as an activity eligible for payments to a **third party** *third-party* provider any service that is provided by a business, or equivalent, in connection with conducting business and that is customarily provided at no cost.
- (5) **PAYMENT AMOUNTS.**—The Secretary shall establish fair and reasonable amounts of payments for technical services provided by third-party providers.
- (g) **AVAILABILITY OF TECHNICAL SERVICES.**—
- (1) **IN GENERAL.**—In carrying out the programs under this title and the agricultural management assistance program under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524), the Secretary shall make technical services available to all eligible participants who are installing an eligible practice.
 - (2) **TECHNICAL SERVICE CONTRACTS.**—In any case in which financial assistance is not provided under a program referred to in paragraph (1), the Secretary may enter into a technical service contract with the eligible participant for the purposes of assisting in the planning, design, or installation of an eligible practice.
- (h) **REVIEW OF CONSERVATION PRACTICE STANDARDS.**—
- (1) **REVIEW REQUIRED.**—The Secretary shall—
 - (A) review conservation practice standards, including engineering design specifications, in effect on the date of the enactment of the Food, Conservation, and Energy Act of 2008;
 - (B) ensure, to the maximum extent practicable, the completeness and relevance of the standards to local agricultural, forestry, and natural resource needs, including spe-

cialty crops, native and managed pollinators, bioenergy crop production, forestry, and such other needs as are determined by the Secretary; and

(C) ensure that the standards provide for the optimal balance between meeting site-specific conservation needs and minimizing risks of design failure and associated costs of construction and installation.

(2) CONSULTATION.—In conducting the review under paragraph (1), the Secretary shall consult with eligible participants, crop consultants, cooperative extension and land grant universities, nongovernmental organizations, and other qualified entities.

(3) EXPEDITED REVISION OF STANDARDS.—If the Secretary determines under paragraph (1) that revisions to the conservation practice standards, including engineering design specifications, are necessary, the Secretary shall establish an administrative process for expediting the revisions.

(i) ADDRESSING CONCERNS OF SPECIALTY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.—

(1) IN GENERAL.—The Secretary shall—

(A) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and

(B) provide for the appropriate range of conservation practices and resource mitigation measures available to producers involved with organic or specialty crop production or precision agriculture.

(2) AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by producers involved with organic, specialty crop production, or precision agriculture through Federal conservation programs.

(B) REQUIREMENTS.—In carrying out subparagraph (A), the Secretary shall develop—

(i) programs that meet specific needs of producers involved with organic, specialty crop production or precision agriculture through cooperative agreements with other agencies and nongovernmental organizations; and

(ii) program specifications that allow for innovative approaches to engage local resources in providing technical assistance for planning and implementation of conservation practices.

SEC. 1244. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) INCENTIVES FOR CERTAIN FARMERS AND RANCHERS AND INDIAN TRIBES.—

(1) INCENTIVES AUTHORIZED.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to a person or entity specified in paragraph (2) incentives to participate in the conservation program—

(A) to foster new farming and ranching opportunities; and

- (B) to enhance long-term environmental goals.
- (2) COVERED PERSONS.—Incentives authorized by paragraph (1) may be provided to the following:
- (A) Beginning farmers or ranchers.
 - (B) Socially disadvantaged farmers or ranchers.
 - (C) Limited resource farmers or ranchers.
 - (D) Indian tribes.
 - (E) Veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).
- (b) PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.—
- (1) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—
- (A) IN GENERAL.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subparagraph (C) and paragraph (2), information described in subparagraph (B)—
- (i) shall not be considered to be public information; and
 - (ii) shall not be released to any person or Federal, State, local agency or Indian tribe (as defined by the Secretary) outside the Department of Agriculture.
- (B) INFORMATION.—The information referred to in subparagraph (A) is information—
- (i) provided to the Secretary or a contractor of the Secretary (including information provided under subtitle D) for the purpose of providing technical or financial assistance to an owner, operator, or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and
 - (ii) that is proprietary (within the meaning of section 552(b)(4) of title 5, United States Code) to the agricultural operation or land that is a part of an agricultural operation of the owner, operator, or producer.
- (C) EXCEPTION.—Nothing in this section affects the availability of payment information (including payment amounts and the names and addresses of recipients of payments) under section 552 of title 5, United States Code.
- (2) EXCEPTIONS.—
- (A) RELEASE AND DISCLOSURE FOR ENFORCEMENT.—The Secretary may release or disclose to the Attorney General information covered by paragraph (1) to the extent necessary to enforce the natural resources conservation programs referred to in paragraph (1)(B)(i).
- (B) DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.—
- (i) IN GENERAL.—The Secretary may release or disclose information covered by paragraph (1) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in paragraph (1)(B)(i) or collecting information from data gathering sites.

(ii) USE OF INFORMATION.—The person or Federal, State, local, or tribal agency that receives information described in clause (i) may release the information only for the purpose of assisting the Secretary—

(I) in providing the requested technical or financial assistance; or

(II) in collecting information from data gathering sites.

(C) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by paragraph (1) may be disclosed to the public if the information has been transformed into a statistical or aggregate form without naming any—

(i) individual owner, operator, or producer; or

(ii) specific data gathering site.

(D) CONSENT OF OWNER, OPERATOR, OR PRODUCER.—

(i) IN GENERAL.—An owner, operator, or producer may consent to the disclosure of information described in paragraph (1).

(ii) CONDITION OF OTHER PROGRAMS.—The participation of the owner, operator, or producer in, and the receipt of any benefit by the owner, operator, or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner, operator, or producer providing consent under this paragraph.

(3) VIOLATIONS; PENALTIES.—Section 1770(c) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this subsection.

(4) DATA COLLECTION, DISCLOSURE, AND REVIEW.—Nothing in this subsection—

(A) affects any procedure for data collection or disclosure through the National Resources Inventory; or

(B) limits the authority of Congress or the [General Accounting Office] *General Accountability Office* to review information collected or disclosed under this subsection.

(c) PLANS.—The Secretary shall, to the extent practicable, avoid duplication in—

(1) the conservation plans required for—

(A) highly erodible land conservation under subtitle B; and

(B) the conservation reserve program established under subchapter B of chapter 1 of subtitle D;

(2) the agricultural conservation easement program established under subtitle H; and

(3) the environmental quality incentives program established under chapter 4 of subtitle D.

(d) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under subtitles B through D, H, and I.

(e) PROVISION OF TECHNICAL ASSISTANCE BY OTHER SOURCES.—In the preparation and application of a conservation compliance

plan under subtitle B or similar plan required as a condition for assistance from the Department of Agriculture, the Secretary shall permit persons to secure technical assistance from approved sources, as determined by the Secretary, other than the Natural Resources Conservation Service. If the Secretary rejects a technical determination made by such a source, the basis of the Secretary's determination must be supported by documented evidence.

(f) ACREAGE LIMITATIONS.—

(1) LIMITATIONS.—

(A) ENROLLMENTS.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the conservation reserve program established under subchapter B of chapter 1 of subtitle D and wetland reserve easements under section 1265C.

(B) EASEMENTS.—Not more than 10 percent of the cropland in a county may be subject to a wetland reserve easement under section 1265C.

(2) EXCEPTIONS.—The Secretary may exceed the limitation in paragraph (1)(A), if the Secretary determines that—

(A) the action would not adversely affect the local economy of a county; and

(B) operators in the county are having difficulties complying with conservation plans implemented under section 1212.

(3) WAIVER TO EXCLUDE CERTAIN ACREAGE.—The Secretary may grant a waiver to exclude acreage enrolled under subsection (d)(2)(A)(ii) or (g)(2) of section 1234 from the limitations in paragraph (1)(A) with the concurrence of the county government of the county involved.

(4) EXCLUSIONS.—

(A) SHELTERBELTS AND WINDBREAKS.—The limitations established under paragraph (1) shall not apply to cropland that is subject to an easement under subchapter B of chapter 1 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

(B) WET AND SATURATED SOILS.—For the purposes of enrolling land in a wetland reserve easement under section 1265C, the limitations established under paragraph (1) shall not apply to cropland designated by the Secretary with subclass w in the land capability classes IV through VIII because of severe use limitations due to soil saturation or inundation.

(5) CALCULATION.—In calculating the percentages described in paragraph (1), the Secretary shall include any acreage that was included in calculations of percentages made under such paragraph, as in effect on the day before the date of enactment of the Agricultural Act of 2014, and that remains enrolled when the calculation is made after that date under paragraph (1).

(g) COMPLIANCE AND PERFORMANCE.—For each conservation program under subtitle D, the Secretary shall develop procedures—

(1) to monitor compliance with program requirements;

(2) to measure program performance;

(3) to demonstrate whether the long-term conservation benefits of the program are being achieved;

(4) to track participation by crop and livestock types; and

(5) to coordinate activities described in this subsection with the national conservation program authorized under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004).

(h) ENCOURAGEMENT OF POLLINATOR HABITAT DEVELOPMENT AND PROTECTION.—In carrying out any conservation program administered by the Secretary, the Secretary may, as appropriate, encourage—

(1) the development of habitat for native and managed pollinators; and

(2) the use of conservation practices that benefit native and managed pollinators, including, to the extent practicable, practices that maximize benefits for honey bees.

(i) SOURCE WATER PROTECTION THROUGH TARGETING OF AGRICULTURAL PRACTICES.—

(1) IN GENERAL.—In carrying out any conservation program administered by the Secretary, the Secretary shall encourage practices that relate to water quality and water quantity that protect source waters for drinking water (including protecting against public health threats) while also benefitting agricultural producers.

(2) COLLABORATION WITH WATER SYSTEMS AND INCREASED INCENTIVES.—In encouraging practices under paragraph (1), the Secretary shall—

(A) work collaboratively with community water systems and State technical committees established under section 1261 to identify, in each State, local priority areas for the protection of source waters for drinking water; and

(B) offer to producers increased incentives and higher payment rates than are otherwise statutorily authorized through conservation programs administered by the Secretary for practices that result in significant environmental benefits that the Secretary determines—

(i) relate to water quality or water quantity; and

(ii) occur primarily outside of the land on which the practices are implemented.

(3) RESERVATION OF FUNDS.—In each of fiscal years 2019 through 2023, the Secretary shall use, to carry out this subsection, not less than 10 percent of any funds available with respect to each conservation program administered by the Secretary under this title except the conservation reserve program.

[(i)] (j) STREAMLINED APPLICATION PROCESS.—

(1) IN GENERAL.—In carrying out each conservation program under this title, the Secretary shall ensure that the application process used by producers and landowners is streamlined to minimize complexity and eliminate redundancy.

(2) REVIEW AND STREAMLINING.—

(A) REVIEW.—The Secretary shall carry out a review of the application forms and processes for each conservation program covered by this subsection.

(B) STREAMLINING.—On completion of the review the Secretary shall revise application forms and processes, as necessary, to ensure that—

(i) all required application information is essential for the efficient, effective, and accountable implementation of conservation programs;

(ii) conservation program applicants are not required to provide information that is readily available to the Secretary through existing information systems of the Department of Agriculture;

(iii) information provided by the applicant is managed and delivered efficiently for use in all stages of the application process, or for multiple applications; and

(iv) information technology is used effectively to minimize data and information input requirements.

(3) IMPLEMENTATION AND NOTIFICATION.—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall submit to Congress a written notification of completion of the requirements of this subsection.

[(j)] (k) IMPROVED ADMINISTRATIVE EFFICIENCY AND EFFECTIVENESS.—In administering a conservation program under this title, the Secretary shall, to the maximum extent practicable—

(1) seek to reduce administrative burdens and costs to producers by streamlining conservation planning and program resources; and

(2) take advantage of new technologies to enhance efficiency and effectiveness.

[(k)] (l) RELATION TO OTHER PAYMENTS.—Any payment received by an owner or operator under this title, including an easement payment or rental payment, shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under any of the following:

(1) This Act.

(2) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

(3) The Agricultural Act of 2014.

(4) Any law that succeeds a law specified in paragraph (1), (2), or (3).

[(l)] (m) FUNDING FOR INDIAN TRIBES.—In carrying out [the conservation stewardship program under subchapter B of chapter 2 of subtitle D and] the environmental quality incentives program under chapter 4 of subtitle D, the Secretary may enter into alternative funding arrangements with Indian tribes if the Secretary determines that the goals and objectives of the programs will be met by such arrangements, and that statutory limitations regarding contracts with individual producers will not be exceeded by any tribal member.

[(m)] EXEMPTION FROM CERTAIN REPORTING REQUIREMENTS.—

[(1)] DEFINITION OF EXEMPTED PRODUCER.—In this subsection, the term “exempted producer” means a producer or landowner eligible to participate in any conservation program administered by the Secretary.

[(2)] EXEMPTION.—Notwithstanding the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282; 31 U.S.C. 6101 note), the requirements of parts 25 and 170 of title 2, Code of Federal Regulations (and any successor regulations), shall not apply with respect to assistance received

by an exempted producer from the Secretary, acting through the Natural Resources Conservation Service.】

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Subtitle G—State Technical Committees

SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES.

(a) ESTABLISHMENT.—The Secretary shall establish a technical committee in each State to assist the Secretary in the considerations relating to implementation and technical aspects of the conservation programs under this title.

(b) STANDARDS.—The Secretary shall review and update as necessary—

(1) standard operating procedures to standardize the operations of State technical committees; and

(2) standards to be used by State technical committees in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.

(c) COMPOSITION.—Each State technical committee shall be composed of agricultural producers and other professionals that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. The technical committee for a State shall include representatives from among the following:

(1) The Natural Resources Conservation Service.

(2) The Farm Service Agency.

(3) The Forest Service.

(4) The National Institute of Food and Agriculture.

(5) The State fish and wildlife agency.

(6) The State forester or equivalent State official.

(7) The State water resources agency.

(8) The State department of agriculture.

(9) The State association of soil and water conservation districts.

(10) Agricultural producers representing the variety of crops and livestock or poultry raised within the State.

(11) Owners of nonindustrial private forest land.

(12) Nonprofit organizations within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 with demonstrable conservation expertise and experience working with agriculture producers in the State.

(13) Agribusiness.

(14) *The State 1862 Institution (as defined in section 2(1) of the Agricultural Research, Extension, and Education Reform Act of 1998).*

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Subtitle H—Agricultural Conservation Easement Program

SEC. 1265. ESTABLISHMENT AND PURPOSES.

(a) ESTABLISHMENT.—The Secretary shall establish an agricultural conservation easement program for the conservation of eligi-

ble land and natural resources through easements or other interests in land.

(b) PURPOSES.—The purposes of the program are to—

(1) combine the purposes and coordinate the functions of the wetlands reserve program established under section 1237, the grassland reserve program established under section 1238N, and the farmland protection program established under section 1238I, as such sections were in effect on the day before the date of enactment of the Agricultural Act of 2014;

(2) restore, protect, and enhance wetlands on eligible land;

(3) protect the agricultural use and future viability, and related conservation values, of eligible land by limiting non-agricultural uses of that land *that negatively affect the agricultural uses and conservation values*; and

(4) protect grazing uses and related conservation values by **restoring and** *restoring or conserving* eligible land.

SEC. 1265A. DEFINITIONS.

In this subtitle:

(1) AGRICULTURAL LAND EASEMENT.—The term “agricultural land easement” means an easement or other interest in eligible land that—

(A) is conveyed for the purpose of protecting natural resources and the agricultural nature of the land; and

(B) permits the landowner the right to continue agricultural production and related uses **subject to an agricultural land easement plan, as approved by the Secretary**.

(2) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) an agency of State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

(B) an organization that is—

(i) organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

(ii) an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; or

(iii) described in—

(I) paragraph (1) or (2) of section 509(a) of that Code; or

(II) section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

(3) ELIGIBLE LAND.—The term “eligible land” means private or tribal land that is—

(A) in the case of an agricultural land easement, agricultural land, including land on a farm or ranch—

(i) that is subject to a pending offer for purchase of an agricultural land easement from an eligible entity;

(ii)(I) that has prime, unique, or other productive soil;

(II) that contains historical or archaeological resources;

(III) the enrollment of which would protect grazing uses and related conservation values by restoring and conserving land; or

(IV) the protection of which will further a State or local policy consistent with the purposes of the program; and

(iii) that is—

(I) cropland;

(II) rangeland;

(III) grassland or land that contains forbs, or shrubland for which grazing is the predominant use;

(IV) located in an area that has been historically dominated by grassland, forbs, or shrubs and could provide habitat for animal or plant populations of significant ecological value;

(V) pastureland; or

[(VI) nonindustrial private forest land that contributes to the economic viability of an offered parcel or serves as a buffer to protect such land from development;]

(VI) nonindustrial private forest land that contributes to the economic viability of an offered parcel, or serves as a buffer to protect such land from development, which may include up to 100 percent of the parcel if the Secretary determines enrolling the land is important to protect a forest to provide significant conservation benefits;

(B) in the case of a wetland reserve easement, a wetland or related area, including—

(i) farmed or converted wetlands, together with adjacent land that is functionally dependent on that land, if the Secretary determines it—

(I) is likely to be successfully restored in a cost-effective manner; and

(II) will maximize the wildlife benefits and wetland functions and values**],** as determined by the Secretary in consultation with the Secretary of the Interior at the local level**];**

(ii) cropland or grassland that was used for agricultural production prior to flooding from the natural overflow of—

(I) a closed basin lake and adjacent land that is functionally dependent upon it, if the State or other entity is willing to provide 50 percent share of the cost of an easement; or

(II) a pothole and adjacent land that is functionally dependent on it;

(iii) farmed wetlands and adjoining lands that—

(I) are enrolled in the conservation reserve program;

(II) have the highest wetland functions and values, as determined by the Secretary; and

(III) are likely to return to production after they leave the conservation reserve program;

(iv) riparian areas that link wetlands that are protected by easements or some other device that achieves the same purpose as an easement; or

(v) other wetlands of an owner that would not otherwise be eligible, if the Secretary determines that the inclusion of such wetlands in a wetland reserve easement would significantly add to the functional value of the easement; or

(C) in the case of either an agricultural land easement or a wetland reserve easement, other land that is incidental to land described in subparagraph (A) or (B), if the Secretary determines that it is necessary for the efficient administration of an easement under the program.

[(4)] (4) *MONITORING REPORT.*—The term “monitoring report” means a report, the contents of which are formulated and prepared by the holder of an agricultural land easement, that documents whether the land subject to the agricultural land easement is in compliance with the terms and conditions of the agricultural land easement.

[(4)] (5) *PROGRAM.*—The term “program” means the agricultural conservation easement program established by this subtitle.

[(5)] (6) *WETLAND RESERVE EASEMENT.*—The term “wetland reserve easement” means a reserved interest in eligible land that—

(A) is defined and delineated in a deed; and

(B) stipulates—

(i) the rights, title, and interests in land conveyed to the Secretary; and

(ii) the rights, title, and interests in land that are reserved to the landowner.

SEC. 1265B. AGRICULTURAL LAND EASEMENTS.

(a) *AVAILABILITY OF ASSISTANCE.*—The Secretary shall facilitate and provide funding for—

(1) the purchase by eligible entities of agricultural land easements in eligible land; and

(2) technical assistance to **[(provide for the conservation of natural resources pursuant to an agricultural land easement plan)]** *implement the program.*

(b) *COST-SHARE ASSISTANCE.*—

(1) *IN GENERAL.*—The Secretary shall protect the agricultural use, including grazing, and related conservation values of eligible land through cost-share assistance to eligible entities for purchasing agricultural land easements.

(2) *SCOPE OF ASSISTANCE AVAILABLE.*—

(A) *FEDERAL SHARE.*—An agreement described in paragraph (4) shall provide for a Federal share determined by the Secretary of an amount not to exceed 50 percent of the fair market value of the agricultural land easement, as determined by the Secretary using—

(i) the Uniform Standards of Professional Appraisal Practice;

(ii) an areawide market analysis or survey; or

(iii) another industry-approved method.

[(B)] *NON-FEDERAL SHARE.*—

[(i) IN GENERAL.—Under the agreement, the eligible entity shall provide a share that is at least equivalent to that provided by the Secretary.

[(ii) SOURCE OF CONTRIBUTION.—An eligible entity may include as part of its share under clause (i) a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by the Secretary.

[(C) EXCEPTION.—

[(i) GRASSLANDS.—In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.

[(ii) CASH CONTRIBUTION.—For purposes of subparagraph (B)(ii), the Secretary may waive any portion of the eligible entity cash contribution requirement for projects of special significance, subject to an increase in the private landowner donation that is equal to the amount of the waiver, if the donation is voluntary and the property is in active agricultural production.]

(B) *NON-FEDERAL SHARE.*—*An eligible entity may use for any part of its share—*

(i) a cash contribution;

(ii) a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the landowner from which the agricultural land easement will be purchased; or

(iii) funding from a Federal source other than the Department of Agriculture.

(C) *GRASSLANDS EXCEPTION.*—*In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.*

(3) *EVALUATION AND RANKING OF APPLICATIONS.—*

(A) *CRITERIA.*—*The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.*

(B) *CONSIDERATIONS.*—*In establishing the criteria, the Secretary shall emphasize support for—*

(i) protecting agricultural uses and related conservation values of the land; and

(ii) maximizing the protection of areas devoted to agricultural use.

(C) *ACCOUNTING FOR GEOGRAPHIC DIFFERENCES.*—*The Secretary shall, in coordination with State technical committees, adjust the criteria established under subparagraph (A) to account for geographic differences among States, if such adjustments—*

(i) meet the purposes of the program; and

(ii) *continue to maximize the benefit of the Federal investment under the program.*

【(C)】 (D) BIDDING DOWN.—If the Secretary determines that 2 or more applications for cost-share assistance are comparable in achieving the purpose of the program, the Secretary shall not assign a higher priority to any of those applications solely on the basis of lesser cost to the program.

(4) AGREEMENTS WITH ELIGIBLE ENTITIES.—

(A) IN GENERAL.—The Secretary shall enter into agreements with eligible entities to stipulate the terms and conditions under which the eligible entity is permitted to use cost-share assistance provided under this section.

(B) LENGTH OF AGREEMENTS.—An agreement shall be for a term that is—

(i) in the case of an eligible entity certified under the process described in paragraph (5), a minimum of five years; and

(ii) for all other eligible entities, at least three, but not more than five years.

(C) MINIMUM TERMS AND CONDITIONS.—An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—

(i) are consistent with the purposes of the program *and the agricultural use of the land that is subject to the agricultural land easement*;

(ii) permit effective enforcement of the conservation purposes of such easements;

【(iii) include a right of enforcement for the Secretary, that may be used only if the terms of the easement are not enforced by the holder of the easement;

【(iv) subject the land in which an interest is purchased to an agricultural land easement plan that—

【(I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;

【(II) requires the management of grasslands according to a grasslands management plan; and

【(III) includes a conservation plan, where appropriate, and requires, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses; and】

(iii) *include a right of enforcement for the Secretary that—*

(I) *may be used only if the terms and conditions of the easement are not enforced by the eligible entity; and*

(II) *does not extend to a right of inspection unless the holder of the easement fails to provide monitoring reports in a timely manner;*

(iv) *include a conservation plan only for any portion of the land subject to the agricultural land easement that is highly erodible cropland; and*

(v) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.

(D) **SUBSTITUTION OF QUALIFIED PROJECTS.**—An agreement shall allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of the proposed substitution.

(E) **EFFECT OF VIOLATION.**—If a violation occurs of a term or condition of an agreement under this subsection—

(i) the Secretary may terminate the agreement; and

(ii) *in the case of fraud or gross negligence*, the Secretary may require the eligible entity to refund all or part of any payments received by the entity under the program, with interest on the payments as determined appropriate by the Secretary.

(F) **MINERAL DEVELOPMENT.**—*Upon request by an eligible entity, the Secretary shall allow, under an agreement under this subsection, mineral development on land subject to the agricultural land easement, if the Secretary determines that the mineral development—*

(i) *has limited and localized effects;*

(ii) *is not irretrievably destructive of significant conservation interests; and*

(iii) *would not alter or affect the topography or landscape.*

(G) **ENVIRONMENTAL SERVICES MARKETS.**—*The Secretary may not prohibit, through an agreement under this subsection, an owner of land subject to the agricultural land easement from participating in, and receiving compensation from, an environmental services market if a purpose of the market is the facilitation of additional conservation benefits that are consistent with the purposes of the program.*

(5) **CERTIFICATION OF ELIGIBLE ENTITIES.**—

(A) **CERTIFICATION PROCESS.**—The Secretary shall establish a process under which the Secretary may—

(i) directly certify eligible entities that meet established criteria;

(ii) enter into long-term agreements with certified eligible entities【; and】;

(iii) accept proposals for cost-share assistance for the purchase of agricultural land easements throughout the duration of such agreements【.】; and

(iv) *allow a certified eligible entity to use its own terms and conditions, notwithstanding paragraph (4)(C), as long as the terms and conditions are consistent with the purposes of the program.*

【(B) **CERTIFICATION CRITERIA.**—In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity will maintain, at a minimum, for the duration of the agreement—

【(i) a plan for administering easements that is consistent with the purpose of the program;

【(ii) the capacity and resources to monitor and enforce agricultural land easements; and

【(iii) policies and procedures to ensure—

【(I) the long-term integrity of agricultural land easements on eligible land;

【(II) timely completion of acquisitions of such easements; and

【(III) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.】

(B) *CERTIFICATION CRITERIA.*—*In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity—*

(i) *is a land trust that has—*

(I) *been accredited by the Land Trust Accreditation Commission, or by an equivalent accrediting body (as determined by the Secretary); and*

(II) *acquired not fewer than five agricultural land easements under the program; or*

(ii) *will maintain, at a minimum, for the duration of the agreement—*

(I) *a plan for administering easements that is consistent with the purpose of the program;*

(II) *the capacity and resources to monitor and enforce agricultural land easements; and*

(III) *policies and procedures to ensure—*

(aa) *the long-term integrity of agricultural land easements on land subject to such easements;*

(bb) *timely completion of acquisitions of such easements; and*

(cc) *timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.*

(C) *REVIEW AND REVISION.*—

(i) *REVIEW.*—*The Secretary shall conduct a review of eligible entities certified under subparagraph (A) every three years to ensure that such entities are meeting the criteria established under subparagraph (B).*

(ii) *REVOCATION.*—*If the Secretary finds that a certified eligible entity no longer meets the criteria established under subparagraph (B), the Secretary may—*

(I) *allow the certified eligible entity a specified period of time, at a minimum 180 days, in which to take such actions as may be necessary to meet the criteria; and*

(II) *revoke the certification of the eligible entity, if, after the specified period of time, the certified eligible entity does not meet such criteria.*

(c) *METHOD OF ENROLLMENT.*—*The Secretary shall enroll eligible land under this section through the use of—*

(1) *permanent easements; or*

(2) *easements for the maximum duration allowed under applicable State laws.*

【(d) *TECHNICAL ASSISTANCE.*—*The Secretary may provide technical assistance, if requested, to assist in—*

【(1) *compliance with the terms and conditions of easements; and*

[(2) implementation of an agricultural land easement plan.]

(d) *TECHNICAL ASSISTANCE.*—*The Secretary may provide technical assistance, if requested, to assist in compliance with the terms and conditions of easements.*

SEC. 1265C. WETLAND RESERVE EASEMENTS.

(a) *AVAILABILITY OF ASSISTANCE.*—The Secretary shall provide assistance to owners of eligible land to restore, protect, and enhance wetlands through—

- (1) wetland reserve easements and related wetland reserve easement plans; and
- (2) technical assistance.

(b) *EASEMENTS.*—

(1) *METHOD OF ENROLLMENT.*—The Secretary shall enroll eligible land under this section through the use of—

- (A) 30-year easements;
- (B) permanent easements;
- (C) easements for the maximum duration allowed under applicable State laws; or
- (D) as an option for Indian tribes only, 30-year contracts.

(2) *LIMITATIONS.*—

(A) *INELIGIBLE LAND.*—The Secretary may not acquire easements on—

- (i) land established to trees under the conservation reserve program, except in cases where the Secretary determines it would further the purposes of this section; and
- (ii) farmed wetlands or converted wetlands where the conversion was not commenced prior to December 23, 1985.

(B) *CHANGES IN OWNERSHIP.*—No wetland reserve easement shall be created on land that has changed ownership during the preceding 24-month period unless—

- (i) the new ownership was acquired by will or succession as a result of the death of the previous owner;
- (ii)(I) the ownership change occurred because of foreclosure on the land; and
- (II) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or
- (iii) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program.

(3) *EVALUATION AND RANKING OF OFFERS.*—

(A) *CRITERIA.*—The Secretary shall establish evaluation and ranking criteria for offers from landowners under this section to maximize the benefit of Federal investment under the program.

(B) *CONSIDERATIONS.*—When evaluating offers from landowners, the Secretary may consider—

- (i) the conservation benefits of obtaining a wetland reserve easement, including the potential environmental benefits if the land was removed from agricultural production;

(ii) the cost effectiveness of each wetland reserve easement, so as to maximize the environmental benefits per dollar expended;

(iii) whether the landowner or another person is offering to contribute financially to the cost of the wetland reserve easement to leverage Federal funds; and

(iv) such other factors as the Secretary determines are necessary to carry out the purposes of the program.

(C) PRIORITY.—The Secretary shall give priority to acquiring wetland reserve easements based on the value of the wetland reserve easement for protecting and enhancing habitat for migratory birds and other wildlife.

(4) AGREEMENT.—To be eligible to place eligible land into the program through a wetland reserve easement, the owner of such land shall enter into an agreement with the Secretary to—

(A) grant an easement on such land to the Secretary;

(B) authorize the implementation of a wetland reserve easement plan developed for the eligible land under subsection (f);

(C) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to;

(D) provide a written statement of consent to such easement signed by those holding a security interest in the land;

(E) comply with the terms and conditions of the easement and any related agreements; and

(F) permanently retire any existing base history for the land on which the easement has been obtained.

(5) TERMS AND CONDITIONS OF EASEMENT.—

(A) IN GENERAL.—A wetland reserve easement shall include terms and conditions that—

(i) permit—

(I) repairs, improvements, and inspections on the land that are necessary to maintain existing public drainage systems; and

(II) owners to control public access on the easement areas while identifying access routes to be used for restoration activities and management and easement monitoring;

(ii) prohibit—

(I) the alteration of wildlife habitat and other natural features of such land, unless specifically authorized by the Secretary;

(II) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is authorized by the Secretary or is necessary—

(aa) to comply with Federal or State noxious weed control laws;

(bb) to comply with a Federal or State emergency pest treatment program; or

(cc) to meet habitat needs of specific wildlife species;

(III) any activities to be carried out on the owner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

(IV) the adoption of any other practice that would tend to defeat the purposes of the program, as determined by the Secretary;

(iii) provide for the efficient and effective establishment of wetland functions and values; and

(iv) include such additional provisions as the Secretary determines are desirable to carry out the program or facilitate the practical administration thereof.

(B) VIOLATION.—On the violation of a term or condition of a wetland reserve easement, the wetland reserve easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under the program, with interest on the payments as determined appropriate by the Secretary.

(C) COMPATIBLE USES.—Land subject to a wetland reserve easement may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the wetland reserve easement plan developed for the land under subsection (f) and is consistent with the long-term protection and enhancement of the wetland resources for which the easement was established.

(D) RESERVATION OF GRAZING RIGHTS.—The Secretary may include in the terms and conditions of a wetland reserve easement a provision under which the owner reserves grazing rights if—

(i) the Secretary determines that the reservation and use of the grazing rights—

(I) is compatible with the land subject to the easement;

(II) is consistent with the historical natural uses of the land and the long-term protection and enhancement goals for which the easement was established; and

(III) complies with the wetland reserve easement plan developed for the land under subsection (f) *or a grazing management plan that is consistent with the wetland reserve easement plan and has been reviewed, and modified as necessary, at least every five years*; and

(ii) the agreement provides for a commensurate reduction in the easement payment to account for the grazing value, as determined by the Secretary.

(6) COMPENSATION.—

(A) DETERMINATION.—

(i) PERMANENT EASEMENTS.—The Secretary shall pay as compensation for a permanent wetland reserve easement acquired under the program an amount necessary to encourage enrollment in the program, based on the lowest of—

(I) the fair market value of the land, as determined by the Secretary, using the Uniform Standards of Professional Appraisal Practice or an areawide market analysis or survey;

(II) the amount corresponding to a geographical cap, as determined by the Secretary in regulations; or

(III) the offer made by the landowner.

(ii) OTHER.—Compensation for a 30-year contract or 30-year wetland reserve easement shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent wetland reserve easement.

(B) FORM OF PAYMENT.—Compensation for a wetland reserve easement shall be provided by the Secretary in the form of a cash payment, in an amount determined under subparagraph (A).

(C) PAYMENT SCHEDULE.—

(i) EASEMENTS VALUED AT \$500,000 OR LESS.—For wetland reserve easements valued at \$500,000 or less, the Secretary may provide payments in not more than 10 annual payments.

(ii) EASEMENTS VALUED AT MORE THAN \$500,000.—For wetland reserve easements valued at more than \$500,000, the Secretary may provide payments in at least 5, but not more than 10 annual payments, except that, if the Secretary determines it would further the purposes of the program, the Secretary may make a lump-sum payment for such an easement.

(c) EASEMENT RESTORATION.—

(1) IN GENERAL.—The Secretary shall provide financial assistance to owners of eligible land to carry out the establishment of conservation measures and practices and protect wetland functions and values, including necessary maintenance activities, as set forth in a wetland reserve easement plan developed for the eligible land under subsection (f).

(2) PAYMENTS.—The Secretary shall—

(A) in the case of a permanent wetland reserve easement, pay an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs, as determined by the Secretary; and

(B) in the case of a 30-year contract or 30-year wetland reserve easement, pay an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs, as determined by the Secretary.

(d) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall assist owners in complying with the terms and conditions of a wetland reserve easement.

(2) **CONTRACTS OR AGREEMENTS.**—The Secretary may enter into 1 or more contracts with private entities or agreements with a State, nongovernmental organization, or Indian tribe to carry out necessary restoration, enhancement, or maintenance of a wetland reserve easement if the Secretary determines that the contract or agreement will advance the purposes of the program.

(e) **WETLAND RESERVE ENHANCEMENT OPTION.**—The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), nongovernmental organization, or Indian tribe to carry out a special wetland reserve enhancement option that the Secretary determines would advance the purposes of program.

(f) **ADMINISTRATION.**—

(1) **WETLAND RESERVE EASEMENT PLAN.**—The Secretary shall develop a wetland reserve easement plan for any eligible land subject to a wetland reserve easement, which shall include practices and activities necessary to restore, protect, enhance, and maintain the enrolled land.

(2) **DELEGATION OF EASEMENT ADMINISTRATION.**—

(A) **IN GENERAL.**—The Secretary may delegate any of the management, monitoring, and enforcement responsibilities of the Secretary under this section to other Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities, or to conservation organizations if the Secretary determines the organization has similar expertise and resources.

(B) **LIMITATION.**—The Secretary shall not delegate any of the monitoring or enforcement responsibilities under this section to conservation organizations.

(3) **PAYMENTS.**—

(A) **TIMING OF PAYMENTS.**—The Secretary shall provide payment for obligations incurred by the Secretary under this section—

(i) with respect to any easement restoration obligation under subsection (c), as soon as possible after the obligation is incurred; and

(ii) with respect to any annual easement payment obligation incurred by the Secretary, as soon as possible after October 1 of each calendar year.

(B) **PAYMENTS TO OTHERS.**—If an owner who is entitled to a payment under this section dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

(g) **APPLICATION.**—The relevant provisions of this section shall also apply to a 30-year contract.

SEC. 1265D. ADMINISTRATION.

(a) **INELIGIBLE LAND.**—The Secretary may not use program funds for the purposes of acquiring an easement on—

(1) lands owned by an agency of the United States, other than land held in trust for Indian tribes;

(2) lands owned in fee title by a State, including an agency or a subdivision of a State, or a unit of local government;

(3) land subject to an easement or deed restriction which, as determined by the Secretary, provides similar protection as would be provided by enrollment in the program; or

(4) lands where the purposes of the program would be undermined due to on-site **【or off-site】** conditions, such as risk of hazardous substances, **【proposed or】** *permitted* or existing rights of way, infrastructure development, or adjacent land uses.

(b) PRIORITY.—In evaluating applications under the program, the Secretary may give priority to land that is currently enrolled in the conservation reserve program in a contract that is set to expire within 1 year and—

(1) in the case of an agricultural land easement, is grassland that would benefit from protection under a long-term easement; and

(2) in the case of a wetland reserve easement, is a wetland or related area with the highest wetland functions and value and is likely to return to production after the land leaves the conservation reserve program.

(c) SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.—

(1) **【IN GENERAL】** *SUBORDINATION AND EXCHANGE*.—The Secretary may **【subordinate, exchange, modify, or terminate】** *subordinate or exchange* any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the Secretary determines that—

(A) it is in the Federal Government's interest to **【subordinate, exchange, modify, or terminate】** *subordinate or exchange* the interest in land;

(B) the **【subordination, exchange, modification, or termination】** *subordination or exchange* action—

(i) will address a compelling public need for which there is no practicable alternative; or

(ii) such action will further the practical administration of the program; and

(C) the **【subordination, exchange, modification, or termination】** *subordination or exchange* action will result in comparable conservation value and equivalent or greater economic value to the United States.

(2) *MODIFICATION*.—

(A) *AUTHORITY*.—*The Secretary may modify any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the modification—*

(i) *has a neutral effect on, or increases, the conservation values;*

(ii) *is consistent with the original intent of the easement; and*

(iii) *is consistent with the purposes of the program.*

(B) *LIMITATION.*—*In modifying an interest in land, or portion of such interest, under this paragraph, the Secretary may not increase any payment to an eligible entity.*

(3) *TERMINATION.*—*The Secretary may terminate any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if—*

(A) *the current owner of the land that is subject to the easement and the holder of the easement agree to the termination; and*

(B) *the Secretary determines that the termination would be in the public interest.*

[(2)] (4) *CONSULTATION.*—*The Secretary shall work with the owner, and eligible entity if applicable, to address any subordination, exchange, modification, or termination of the interest, or portion of such interest, in land.*

[(3)] (5) *NOTICE.*—*At least 90 days before taking any termination action described in [paragraph (1)] paragraph (3), the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.*

(d) *LAND ENROLLED IN OTHER PROGRAMS.*—

(1) *CONSERVATION RESERVE PROGRAM.*—*The Secretary may terminate or modify a contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program.*

(2) *OTHER.*—*In accordance with the provisions of subtitle H of title II of the Agricultural Act of 2014, land enrolled in the wetlands reserve program, grassland reserve program, or farmland protection program on the day before the date of enactment of the Agricultural Act of 2014 shall be considered enrolled in the program.*

(e) *COMPLIANCE WITH CERTAIN REQUIREMENTS.*—*The Secretary may not provide assistance under this subtitle to an eligible entity or owner of eligible land unless the eligible entity or owner agrees, during the crop year for which the assistance is provided—*

(1) *to comply with applicable conservation requirements under subtitle B; and*

(2) *to comply with applicable wetland protection requirements under subtitle C.*

(f) *LANDOWNER ELIGIBILITY.*—*The limitation described in paragraph (1) of section 1001D(b) shall not apply to a landowner from which an easement under the program is to be purchased with respect to any benefit described in paragraph (2)(B) of such section related to the purchase of such easement.*

Subtitle I—Regional Conservation Partnership Program

* * * * *

SEC. 1271A. DEFINITIONS.

In this subtitle:

(1) COVERED PROGRAM.—The term “covered program” means the following:

(A) The agricultural conservation easement program.

(B) The environmental quality incentives program.

~~[(C) The conservation stewardship program.]~~

~~[(D)] (C)~~ The healthy forests reserve program established under section 501 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571).

~~(D)~~ *The conservation reserve program established under subchapter B of chapter 1 of subtitle D.*

~~(E)~~ *Programs provided for in the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section 14 of such Act (16 U.S.C. 1012).*

(2) ELIGIBLE ACTIVITY.—The term “eligible activity” means a conservation activity for any of the following:

(A) Water quality restoration or enhancement projects, including nutrient management and sediment reduction.

(B) Water quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including—

(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities *resource-conserving crop rotations*, or dryland farming; or

(ii) irrigation system improvement and irrigation efficiency enhancement.

~~(C)~~ *Protection of source waters for drinking water.*

~~[(C)] (D)~~ Drought mitigation.

~~[(D)] (E)~~ Flood prevention.

~~[(E)] (F)~~ Water retention.

~~[(F)] (G)~~ Air quality improvement.

~~[(G)](H)~~ Habitat conservation, restoration, and enhancement.

~~[(H)] (I)~~ Erosion control and sediment reduction.

~~[(I)] (J)~~ Forest restoration.

~~[(J)] (K)~~ Other related activities that the Secretary determines will help achieve conservation benefits.

(3) ELIGIBLE LAND.—

(A) IN GENERAL.—The term “eligible land” means—

(i) land on which agricultural commodities, livestock, or forest-related products are produced; and

(ii) lands associated with the lands described in clause (i).

(B) INCLUSIONS.—The term “eligible land” includes—

(i) cropland;

(ii) grassland;

(iii) rangeland;

(iv) pastureland;

(v) nonindustrial private forest land; and

(vi) other land incidental to agricultural production (including wetlands and riparian buffers) on which significant natural resource issues could be addressed under the program.

(4) ELIGIBLE PARTNER.—The term “eligible partner” means any of the following:

- (A) An agricultural or silvicultural producer association or other group of producers.
- (B) A State or unit of local government.
- (C) An Indian tribe.
- (D) A farmer cooperative.
- (E) A water district, irrigation district, rural water district or association, or other organization with specific water delivery authority to producers on agricultural land.
- (F) A municipal water or wastewater treatment entity.
- (G) An institution of higher education.
- (H) An organization or entity with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address—
 - (i) local conservation priorities related to agricultural production, wildlife habitat development, or non-industrial private forest land management; or
 - (ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource issues.

(5) **PARTNERSHIP AGREEMENT.**—The term “partnership agreement” means an agreement entered into under section 1271B between the Secretary and an eligible partner.

(6) **PROGRAM.**—The term “program” means the regional conservation partnership program established by this subtitle.

SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.

(a) **PARTNERSHIP AGREEMENTS AUTHORIZED.**—The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity on eligible land.

[(b) **LENGTH.**—A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement one time for up to 12 months when an extension is necessary to meet the objectives of the program.]

(b) **LENGTH.**—*A partnership agreement, including a renewal of a partnership agreement under subsection (d)(5), shall be—*

(1) for a period not to exceed 5 years, which period the Secretary may extend one time for up to 12 months; or

(2) for a period that is longer than 5 years, if such longer period is necessary to meet the objectives of the program, as determined by the Secretary.

(c) **DUTIES OF PARTNERS.**—

(1) **IN GENERAL.**—Under a partnership agreement, the eligible partner shall—

(A) define the scope of a project, including—

- (i) the eligible activities to be implemented;
- (ii) the potential agricultural or nonindustrial private forest land operations affected;
- (iii) the local, State, multistate, or other geographic area covered; and
- (iv) the planning, outreach, implementation, and assessment to be conducted;

(B) conduct outreach and education to producers for potential participation in the project;

- (C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;
 - (D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;
 - (E) conduct an assessment of the project's effects, *including quantification of the project's environmental outcomes*; and
 - (F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.
- (2) CONTRIBUTION.—An eligible partner shall provide a significant portion of the overall costs of the scope of the project that is the subject of the agreement entered into under subsection (a), as determined by the Secretary.
- (d) APPLICATIONS.—
- (1) COMPETITIVE PROCESS.—The Secretary shall conduct a *simplified* competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.
 - (2) CRITERIA USED.—In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.
 - (3) CONTENT.—An application to the Secretary shall include a description of—
 - (A) the scope of the project, as described in subsection (c)(1)(A);
 - (B) the plan for monitoring, evaluating, and reporting on progress made toward achieving the project's objectives;
 - (C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;
 - (D) each eligible partner collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and
 - (E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.
 - (4) PRIORITY TO CERTAIN APPLICATIONS.—The Secretary may give a higher priority to applications that—
 - (A) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;
 - (B) have a high percentage of producers in the area to be covered by the agreement;
 - (C) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, or national efforts;
 - (D) deliver high percentages of applied conservation to address conservation priorities or regional, State, or national conservation initiatives;
 - (E) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods; or

(F) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.

(5) *RENEWALS.*—If a project that is the subject of a partnership agreement has met or exceeded the objectives of the project, as determined by the Secretary, the eligible partners may submit, through an expedited program application process, an application to—

(A) continue to implement the project under a renewal of the partnership agreement; or

(B) expand the scope of the project under a renewal of the partnership agreement.

SEC. 1271C. ASSISTANCE TO PRODUCERS.

(a) **IN GENERAL.**—The Secretary shall enter into contracts with producers to provide financial and technical assistance to—

(1) producers participating in a project with an eligible partner; or

(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated under section 1271F, but who are seeking to implement an eligible activity on eligible land independent of an eligible partner.

(b) **TERMS AND CONDITIONS.**—

(1) **CONSISTENCY WITH PROGRAM RULES.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B) and paragraph (2), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the partnership agreement, as described in the application under section 1271B(d)(3)(C).

(B) **ADJUSTMENTS.**—

(i) **IN GENERAL.**—The Secretary may adjust the rules of a covered program, including—

(I) operational guidance and requirements for a covered program at the discretion of the Secretary so as to provide a simplified application and evaluation process; and

(II) nonstatutory, regulatory rules or provisions to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the covered program.

(ii) **LIMITATION.**—The Secretary shall not adjust the application of statutory requirements for a covered program, including requirements governing appeals, payment limits, and conservation compliance.

(iii) **IRRIGATION.**—In States where irrigation has not been used significantly for agricultural purposes, as determined by the Secretary, the Secretary shall not limit eligibility under section 1271B or this section on the basis of prior irrigation history.

(2) **ALTERNATIVE FUNDING ARRANGEMENTS.**—

(A) **IN GENERAL.**—For the purposes of providing assistance for land described in subsection (a) and section 1271F, the Secretary may enter into alternative funding

arrangements with a multistate water resource agency or authority if—

(i) the Secretary determines that the goals and objectives of the program will be met by the alternative funding arrangements;

(ii) the agency or authority certifies that the limitations established under this section on agreements with individual producers will not be exceeded; and

(iii) all participating producers meet applicable payment eligibility provisions.

(B) CONDITIONS.—As a condition of receiving funding under subparagraph (A), the multistate water resource agency or authority shall agree—

(i) to submit an annual independent audit to the Secretary that describes the use of funds under this paragraph;

(ii) to provide any data necessary for the Secretary to issue a report on the use of funds under this paragraph; and

(iii) not to use any of the funds provided pursuant to subparagraph (A) for administration or to provide for administrative costs through contracts with another entity.

(C) LIMITATION.—The Secretary may enter into not more than 20 alternative funding arrangements under this paragraph.

(c) PAYMENTS.—

(1) IN GENERAL.—In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.

(2) PAYMENTS TO CERTAIN PRODUCERS.—The Secretary may provide payments for **[a period of 5 years]** *the period at the end of the applicable sentence under section 1271B(b)—*

(A) to producers participating in a project that addresses water quantity concerns and in an amount sufficient to encourage conversion from irrigated to dryland farming; and

(B) to producers participating in a project that addresses water quality concerns and in an amount sufficient to encourage adoption of conservation practices and systems that improve nutrient management.

(3) WAIVER AUTHORITY.—To assist in the implementation of the program, **[the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers]** *notwithstanding the requirements of paragraph (3) of section 1001D(b), the Secretary may waive the applicability of the limitation in paragraph (2) of such section, and any limitation on the maximum amount of payments related to the covered programs, for participating producers if the Secretary determines that the waiver is necessary to fulfill the objectives of the program.*

SEC. 1271D. FUNDING.

[(a) AVAILABILITY OF FUNDS.—The Secretary shall use \$100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2014 through 2018 to carry out the program.]

(a) *AVAILABILITY OF FUNDS.*—Of the funds of the Commodity Credit Corporation, the Secretary shall use, to carry out the program—

(1) \$100,000,000 for each of fiscal years 2014 through 2018; and

(2) \$250,000,000 for each of fiscal years 2019 through 2023.

(b) *DURATION OF AVAILABILITY.*—Funds made available under subsection (a) shall remain available until expended.

(c) *ADDITIONAL FUNDING AND ACRES.*—

(1) *IN GENERAL.*—In addition to the funds made available under subsection (a), the Secretary shall reserve 7 percent of the funds and acres made available for a covered program for each of fiscal years 2014 through 2018 in order to ensure additional resources are available to carry out this program.

(2) *UNUSED FUNDS AND ACRES.*—Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not committed under this program by April 1 of that fiscal year shall be returned for use under the covered program.

(d) *ALLOCATION OF FUNDING.*—Of the funds and acres made available for the program under subsection (a) and reserved for the program under subsection (c), the Secretary shall allocate—

(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State Conservationist, with the advice of the State technical committee established under subtitle G;

(2) 40 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and

(3) 35 percent of the funds and acres to projects for critical conservation areas designated under section 1271F.

(e) *LIMITATION ON ADMINISTRATIVE EXPENSES.*—None of the funds made available or reserved for the program may be used to pay for the administrative expenses of eligible partners.

SEC. 1271E. ADMINISTRATION.

(a) *DISCLOSURE.*—In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).

(b) *GUIDANCE.*—The Secretary shall provide eligible partners and producers participating in the partnership agreements with guidance on how to quantify and report on environmental outcomes associated with the adoption of conservation practices under the program.

[(b)] (c) *REPORTING.*—Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of projects funded under the program, including—

(1) the number and types of eligible partners and producers participating in the partnership agreements selected;

(2) the number of producers receiving assistance;

(3) total funding committed to projects, including from Federal and non-Federal resources[; and];

(4) a description of how the funds under section 1271C(b)(2) are being administered, including—

(A) any oversight mechanisms that the Secretary has implemented;

(B) the process through which the Secretary is resolving appeals by program participants; and

(C) the means by which the Secretary is tracking adherence to any applicable provisions for payment eligibility[.];
and

(5) *the progress that eligible partners and producers participating in the partnership agreements are making in quantifying and reporting on environmental outcomes associated with the adoption of conservation practices under the program.*

SEC. 1271F. CRITICAL CONSERVATION AREAS.

(a) **IN GENERAL.**—In administering funds under section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within critical conservation areas designated under this section.

(b) **CRITICAL CONSERVATION AREA DESIGNATIONS.**—

(1) **PRIORITY.**—In designating critical conservation areas under this section, the Secretary shall give priority to geographical areas based on the degree to which the geographical area—

(A) includes multiple States with significant agricultural production;

(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals, and work plans and is adopted by a Federal, State, or regional authority;

(C) would benefit from water quality improvement, including through reducing erosion, promoting sediment control, and addressing nutrient management activities affecting large bodies of water of regional, national, or international significance;

(D) would benefit from water quantity improvement, including improvement relating to—

(i) groundwater, surface water, aquifer, or other water sources; or

(ii) a need to promote water retention and flood prevention; or

(E) contains producers that need assistance in meeting or avoiding the need for a natural resource regulatory requirement that could have a negative impact on the economic scope of the agricultural operations within the area.

(2) **EXPIRATION.**—Critical conservation area designations under this section shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw designation from an area if the Secretary finds the area no longer meets the conditions described in paragraph (1).

(3) **LIMITATION.**—The Secretary may not designate more than 8 geographical areas as critical conservation areas under this section.

(c) **ADMINISTRATION.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or pro-

ducer contract under this section in a manner that is consistent with the terms of the program.

(2) RELATIONSHIP TO EXISTING ACTIVITY.—The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.

[(3) ADDITIONAL AUTHORITY.—For a critical conservation area described in subsection (b)(1)(D), the Secretary may use authorities under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section 14 of such Act (16 U.S.C. 1012), to carry out projects for the purposes of this section.]

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TITLE XVII—RELATED AND MISCELLANEOUS MATTERS

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Subtitle G—Miscellaneous

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CONFIDENTIALITY OF INFORMATION

SEC. 1770. (a) In the case of information furnished under a provision of law referred to in subsection (d), neither the Secretary of Agriculture, any other officer or employee of the Department of Agriculture or agency thereof, nor any other person may—

(1) use such information for a purpose other than the development or reporting of aggregate data in a manner such that the identity of the person who supplied such information is not discernible and is not material to the intended uses of such information;

(2) disclose such information to the public, unless such information has been transformed into a statistical or aggregate form that does not allow the identification of the person who supplied particular information; or

(3) in the case of information collected under the authority described in subsection (d)(12), disclose the information to any person or any Federal, State, local, or tribal agency outside the Department of Agriculture, unless the information has been converted into a statistical or aggregate form that does not allow the identification of the person that supplied particular information.

(b)(1) In carrying out a provision of law referred to in subsection (d), no department, agency, officer, or employee of the Federal Government, other than the Secretary of Agriculture, shall require a person to furnish a copy of statistical information provided to the Department of Agriculture.

(2) A copy of such information—

(A) shall be immune from mandatory disclosure of any type, including legal process; and

(B) shall not, without the consent of such person, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(c) Any person who shall publish, cause to be published, or otherwise publicly release information collected pursuant to a provision of law referred to in subsection (d), in any manner or for any purpose prohibited in section (a), shall be fined not more than \$10,000 or imprisoned for not more than 1 year, or both.

(d) For purposes of this section, a provision of law referred to in this subsection means—

(1) the first section of the Act entitled “An Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton”, approved March 3, 1927 (7 U.S.C. 471) (commonly referred to as the “Cotton Statistics and Estimates Act”);

(2) the first section of the Act entitled “An Act to provide for the collection and publication of statistics of tobacco by the Department of Agriculture”, approved January 14, 1929 (7 U.S.C. 501);

(3) the first section of the Act entitled “An Act to provide for the collection and publication of statistics of peanuts by the Department of Agriculture”, approved June 24, 1936 (7 U.S.C. 951);

(4) section 203(g) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(g));

(5) section 526(a) of the Revised Statutes (7 U.S.C. 2204(a));

(6) the Act entitled “An Act providing for the publication of statistics relating to spirits of turpentine and resin”, approved August 15, 1935 (7 U.S.C. 2248);

(7) section 42 of title 13, United States Code;

(8) section 4 of the Act entitled “An Act to establish the Department of Commerce and Labor”, approved February 14, 1903 (15 U.S.C. 1516);

(9) section 2 of the joint resolution entitled “Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent”, approved June 16, 1976 (15 U.S.C. 1516a);

(10) section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e));

(11) section 2 of the Census of Agriculture Act of 1997; **[or]**

(12) section 302 of the Rural Development Act of 1972 (7 U.S.C. 1010a) regarding the authority to collect data for the National Resources Inventory~~...~~; *or*

(13) *section 7604 of the Agriculture and Nutrition Act of 2018.*

(e) INFORMATION PROVIDED TO SECRETARY OF COMMERCE.—This section shall not prohibit the release of information under section 2(f)(2) of the Census of Agriculture Act of 1997.

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**WATERSHED PROTECTION AND FLOOD PREVENTION
ACT**

* * * * *

SEC. 5. (1) At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the local organization may secure engineering and other services, including the design, preparation of contracts and specifications, awarding of contracts, and supervision of construction, in connection with such works of improvement, by retaining or employing a professional engineer or engineers satisfactory to the Secretary or may request the Secretary to provide such services: *Provided*, That if the local organization elects to employ a professional engineer or engineers, the Secretary shall reimburse the local organization for the costs of such engineering and other services secured by the local organization as are properly chargeable to such works of improvement in an amount not to exceed the amount agreed upon in the plan for works of improvement or any modification thereof: *Provided further*, That the Secretary may advance such amounts as may be necessary to pay for such services, but such advances with respect to any works of improvement shall not exceed 5 per centum of the estimated installation cost of such works.

(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure: *Provided*, That, if requested to do so by the local organization, the Secretary may enter into contracts for the construction of structures.

(3) Whenever the estimated Federal contribution to the construction cost of works of improvement in the plan for any watershed or subwatershed area shall exceed \$25,000,000 or the works of improvement include any structure having a total capacity in excess of twenty-five hundred acre-feet, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President.

(4) Any plan for works of improvement involving an estimated Federal contribution to construction costs in excess of \$25,000,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet (a) which includes works of improvement for reclamation or irrigation, or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) which includes Federal assistance for [goodwater] floodwater detention structures, (c) which includes features which may affect the public health, or (d) which includes measures for control or abatement of water pollution, shall be submitted to the Secretary of the Interior, the Secretary of the Army, the [Secretary of Health, Education, and Welfare] *Secretary of Health and Human Services*, or the Administrator of the Environmental Protection Agency, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, the Secretary of the Army, the [Secretary of Health, Education, and Welfare] *Secretary of Health and Human Services*, and the Administrator of the Environmental Protection Agency, if received by the Secretary prior to the expiration of the

above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President.

(5) Prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army.

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SEC. 14. REHABILITATION OF STRUCTURAL MEASURES NEAR, AT, OR PAST THEIR EVALUATED LIFE EXPECTANCY.

(a) **DEFINITIONS.**—For purposes of this section:

(1) **REHABILITATION.**—The term “rehabilitation”, with respect to a structural measure constructed as part of a covered water resource project, means the completion of all work necessary to extend the service life of the structural measure and meet applicable safety and performance standards. This may include: (A) protecting the integrity of the structural measure or prolonging the useful life of the structural measure beyond the original evaluated life expectancy; (B) correcting damage to the structural measure from a catastrophic event; (C) correcting the deterioration of structural components that are deteriorating at an abnormal rate; (D) upgrading the structural measure to meet changed land use conditions in the watershed served by the structural measure or changed safety criteria applicable to the structural measure; or (E) decommissioning the structure, if requested by the local organization.

(2) **COVERED WATER RESOURCE PROJECT.**—The term “covered water resource project” means a work of improvement carried out under any of the following:

(A) This Act.

(B) Section 13 of the Act of December 22, 1944 (Public Law 78–534; 58 Stat. 905).

(C) The pilot watershed program authorized under the heading “FLOOD PREVENTION” of the Department of Agriculture Appropriation Act, 1954 (Public Law 156; 67 Stat. 214).

(D) Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.; commonly known as the Resource Conservation and Development Program).

(3) **STRUCTURAL MEASURE.**—The term “structural measure” means a physical improvement that impounds water, commonly known as a dam, which was constructed as part of a covered water resource project, including the impoundment area and flood pool.

(b) **COST SHARE ASSISTANCE FOR REHABILITATION.**—

(1) **ASSISTANCE AUTHORIZED.**—The Secretary may provide financial assistance to a local organization to cover a portion of the total costs incurred for the rehabilitation of structural measures originally constructed as part of a covered water resource project. The total costs of rehabilitation include the costs associated with all components of the rehabilitation project, including acquisition of land, easements, and rights-of-

ways, rehabilitation project administration, the provision of technical assistance, contracting, and construction costs, except that the local organization shall be responsible for securing all land, easements, or rights-of-ways necessary for the project.

(2) AMOUNT OF ASSISTANCE; LIMITATIONS.—The amount of Federal funds that may be made available under this subsection to a local organization for construction of a particular rehabilitation project shall be equal to 65 percent of the total rehabilitation costs, but not to exceed 100 percent of actual construction costs incurred in the rehabilitation. However, the local organization shall be responsible for the costs of water, mineral, and other resource rights and all Federal, State, and local permits.

(3) RELATION TO LAND USE AND DEVELOPMENT REGULATIONS.—As a condition on entering into an agreement to provide financial assistance under this subsection, the Secretary, working in concert with the affected unit or units of general purpose local government, may require that proper zoning or other developmental regulations are in place in the watershed in which the structural measures to be rehabilitated under the agreement are located so that—

(A) the completed rehabilitation project is not quickly rendered inadequate by additional development; and

(B) society can realize the full benefits of the rehabilitation investment.

(c) TECHNICAL ASSISTANCE FOR WATERSHED PROJECT REHABILITATION.—The Secretary, acting through the Natural Resources Conservation Service, may provide technical assistance in planning, designing, and implementing rehabilitation projects should a local organization request such assistance. Such assistance may consist of specialists in such fields as engineering, geology, soils, agronomy, biology, hydraulics, hydrology, economics, water quality, and contract administration.

(d) PROHIBITED USE.—

(1) PERFORMANCE OF OPERATION AND MAINTENANCE.—Rehabilitation assistance provided under this section may not be used to perform operation and maintenance activities specified in the agreement for the covered water resource project entered into between the Secretary and the local organization responsible for the works of improvement. Such operation and maintenance activities shall remain the responsibility of the local organization, as provided in the project work plan.

(2) RENEGOTIATION.—Notwithstanding paragraph (1), as part of the provision of financial assistance under subsection (b), the Secretary may renegotiate the original agreement for the covered water resource project entered into between the Secretary and the local organization regarding responsibility for the operation and maintenance of the project when the rehabilitation is finished.

(e) APPLICATION FOR REHABILITATION ASSISTANCE.—A local organization may apply to the Secretary for technical and financial assistance under this section if the application has also been submitted to and approved by the State agency having supervisory responsibility over the covered water resource project at issue or, if there is no State agency having such responsibility, by the Gov-

ernor of the State. The Secretary shall request the State dam safety officer (or equivalent State official) to be involved in the application process if State permits or approvals are required. The rehabilitation of structural measures shall meet standards established by the Secretary and address other dam safety issues. At the request of the local organization, personnel of the Natural Resources Conservation Service of the Department of Agriculture may assist in preparing applications for assistance.

(f) **RANKING OF REQUESTS FOR REHABILITATION ASSISTANCE.**—The Secretary shall establish such system of approving rehabilitation requests, recognizing that such requests will be received throughout the fiscal year and subject to the availability of funds to carry out this section, as is necessary for proper administration by the Department of Agriculture and equitable for all local organizations. The approval process shall be in writing, and made known to all local organizations and appropriate State agencies.

(g) **PROHIBITION ON CERTAIN REHABILITATION ASSISTANCE.**—The Secretary may not approve a rehabilitation request if the need for rehabilitation of the structure is the result of a lack of adequate maintenance by the party responsible for the maintenance.

(h) **FUNDING.**—

(1) **FUNDS OF COMMODITY CREDIT CORPORATION.**—In carrying out this section, of the funds of the Commodity Credit Corporation, the Secretary shall make available, to remain available until expended—

- (A) \$45,000,000 for fiscal year 2003;
- (B) \$50,000,000 for fiscal year 2004;
- (C) \$55,000,000 for fiscal year 2005;
- (D) \$60,000,000 for fiscal year 2006;
- (E) \$65,000,000 for fiscal year 2007;
- (F) \$0 for fiscal year 2008;
- (G) \$100,000,000 for fiscal year 2009, to be available until expended; and
- (H) \$250,000,000 for fiscal year 2014, to remain available until expended.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to amounts made available under paragraph (1), there are authorized to be appropriated to the Secretary to carry out this section, to remain available until expended—

- (A) \$45,000,000 for fiscal year 2003;
- (B) \$55,000,000 for fiscal year 2004;
- (C) \$65,000,000 for fiscal year 2005;
- (D) \$75,000,000 for fiscal year 2006; and
- (E) \$85,000,000 for each of fiscal years 2008 through

[2018] 2023.

(i) **ASSESSMENT OF REHABILITATION NEEDS.**—The Secretary, in concert with the responsible State agencies, shall conduct an assessment of the rehabilitation needs of covered water resource projects in all States in which such projects are located.

(j) **RECORDKEEPING AND REPORTS.**—

(1) **SECRETARY.**—The Secretary shall maintain a data base to track the benefits derived from rehabilitation projects supported under this section and the expenditures made under this section. On the basis of such data and the reports submitted under paragraph (2), the Secretary shall prepare and

submit to Congress an annual report providing the status of activities conducted under this section.

(2) GRANT RECIPIENTS.—Not later than 90 days after the completion of a specific rehabilitation project for which assistance is provided under this section, the local organization that received the assistance shall make a report to the Secretary giving the status of any rehabilitation effort undertaken using financial assistance provided under this section.

SEC. 15. FUNDING.

In addition to any other funds made available by this Act, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this Act \$100,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.

AGRICULTURAL CREDIT ACT OF 1978

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TITLE IV—EMERGENCY CONSERVATION PROGRAM

【SEC. 401. The Secretary of Agriculture】

SEC. 401. PAYMENTS TO PRODUCERS.

(a) *IN GENERAL.*—The Secretary of Agriculture (referred to in this title as the “Secretary”) is authorized to make payments to agricultural producers who carry out emergency measures to control wind erosion on farmlands or to rehabilitate farmlands damaged by wind erosion, floods, hurricanes, *wildfires*, or other natural disasters when, as a result of the foregoing, new conservation problems have been created that (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage that is unusual in character and, except for wind erosion, is not the type that would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

(b) *REPAIR OR REPLACEMENT OF FENCING.*—With respect to a payment to an agricultural producer under subsection (a) for the repair or replacement of fencing, the Secretary shall give the agricultural producer the option of receiving the payment, determined based on the applicable percentage of the fair market value of the cost of the repair or replacement, as determined by the Secretary, before the agricultural producer carries out the repair or replacement.

SEC. 402. The **【Secretary of Agriculture】** Secretary is authorized to make payments to agricultural producers who carry out emergency water conservation or water enhancing measures (including measures carried out to assist confined livestock) during periods of severe drought as determined by the Secretary.

SEC. 402A. COST SHARE REQUIREMENT.

(a) *COST-SHARE RATE.*—The maximum cost-share payment under section 401 and section 402 shall not exceed 75 percent of the total allowable cost, as determined by the Secretary.

(b) *EXCEPTION.*—Notwithstanding subsection (a), a qualified limited resource, socially disadvantaged, or beginning farmer or ranch-

er payment under section 401 and 402 shall not exceed 90 percent of the total allowable cost, as determined by the Secretary.

(c) *LIMITATION.*—In no case shall the total payment under section 401 and 402 for a single event exceed 50 percent of what the Secretary has determined to be the agriculture value of the land.

SEC. 403. EMERGENCY MEASURES.

(a) *IN GENERAL.*—The [Secretary of Agriculture] *Secretary* is authorized to undertake emergency measures, including the purchase of floodplain easements, for runoff retardation and soil-erosion prevention, in cooperation with landowners and land users, as the Secretary deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

(b) *FLOODPLAIN EASEMENTS.*—

(1) *MODIFICATION AND TERMINATION.*—The Secretary may modify or terminate a floodplain easement administered by the Secretary under this section if—

(A) the current owner agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination—

(i) will address a compelling public need for which there is no practicable alternative; and

(ii) is in the public interest.

(2) *CONSIDERATION.*—

(A) *TERMINATION.*—As consideration for termination of an easement and associated agreements under paragraph (1), the Secretary shall enter into compensatory arrangements as determined to be appropriate by the Secretary.

(B) *MODIFICATION.*—In the case of a modification under paragraph (1)—

(i) as a condition of the modification, the current owner shall enter into a compensatory arrangement (as determined to be appropriate by the Secretary) to incur the costs of modification; and

(ii) the Secretary shall ensure that—

(I) the modification will not adversely affect the floodplain functions and values for which the easement was acquired;

(II) any adverse impacts will be mitigated by enrollment and restoration of other land that provides greater floodplain functions and values at no additional cost to the Federal Government; and

(III) the modification will result in equal or greater environmental and economic values to the United States.

SEC. 404. There are authorized to be appropriated such funds as may be necessary to carry out the purposes of this title. Such funds shall remain available until expended. In implementing the provisions of this title, the [Secretary of Agriculture] *Secretary* may use the facilities, services, and authorities of the Commodity Credit Corporation. The Corporation shall not make any expenditures to carry out the provisions of this title unless funds specifically appropriated for such purpose have been transferred to it.

SEC. 405. The **【Secretary of Agriculture】** *Secretary* is authorized to prescribe such regulations as the Secretary determines necessary to carry out the provisions of this title.

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SEC. 407. EMERGENCY FOREST RESTORATION PROGRAM.

(a) **DEFINITIONS.**—In this section:

(1) **EMERGENCY MEASURES.**—The term “emergency measures” means those measures that—

(A) are necessary to address damage caused by a natural disaster to natural resources on nonindustrial private forest land, and the damage, if not treated—

(i) would impair or endanger the natural resources on the land; and

(ii) would materially affect future use of the land; and

(B) would restore forest health and forest-related resources on the land.

(2) **NATURAL DISASTER.**—The term “natural disaster” includes wildfires, hurricanes or excessive winds, drought, ice storms or blizzards, floods, or other resource-impacting events, as determined by the Secretary.

(3) **NONINDUSTRIAL PRIVATE FOREST LAND.**—The term “nonindustrial private forest land” means rural land, as determined by the Secretary, that—

(A) has existing tree cover (or had tree cover immediately before the natural disaster and is suitable for growing trees); and

(B) is owned by any nonindustrial private individual, group, association, corporation, or other private legal entity, that has definitive decision-making authority over the land.

【(4) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.**】**

(b) **AVAILABILITY OF ASSISTANCE.**—The Secretary may make payments to an owner of nonindustrial private forest land who carries out emergency measures to restore the land after the land is damaged by a natural disaster.

(c) **ELIGIBILITY.**—To be eligible to receive a payment under subsection (b), an owner must demonstrate to the satisfaction of the Secretary that the nonindustrial private forest land on which the emergency measures are carried out had tree cover immediately before the natural disaster.

(d) **COST SHARE REQUIREMENT.**—Payments made under subsection (b) shall not exceed 75 percent of the total cost of the emergency measures carried out by an owner of nonindustrial private forest land.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary such funds as may be necessary to carry out this section. Amounts so appropriated shall remain available until expended.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

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TITLE I—COMMODITY PROGRAMS

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Subtitle C—Peanuts

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SEC. 1308. MISCELLANEOUS PROVISIONS.

(a) **MANDATORY INSPECTION.**—All peanuts marketed in the United States shall be officially inspected and graded by Federal or Federal-State inspectors.

(b) **TERMINATION OF PEANUT ADMINISTRATIVE COMMITTEE.**—The Peanut Administrative Committee established under Marketing Agreement No. 146 issued pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

(c) **PEANUT STANDARDS BOARD.**—

(1) **ESTABLISHMENT AND PURPOSE.**—The Secretary shall establish a Peanut Standards Board for the purpose of advising the Secretary regarding the establishment of quality and handling standards for domestically produced and imported peanuts.

(2) **MEMBERSHIP AND APPOINTMENT.**—

(A) **TOTAL MEMBERS.**—The Board shall consist of 18 members, with representation equally divided between peanut producers and peanut industry representatives.

(B) **APPOINTMENT PROCESS FOR PRODUCERS.**—The Secretary shall appoint—

(i) 3 producers from the Southeast (Alabama, Georgia, and Florida) peanut producing region;

(ii) 3 producers from the Southwest (Texas, Oklahoma, and New Mexico) peanut producing region; and

(iii) 3 producers from the Virginia/Carolina (Virginia and North Carolina) *Virginia, North Carolina, and South Carolina* peanut producing region.

(C) **APPOINTMENT PROCESS FOR INDUSTRY REPRESENTATIVES.**—The Secretary shall appoint 3 peanut industry representatives from each of the 3 peanut producing regions in the United States.

(3) **TERMS.**—

(A) **IN GENERAL.**—A member of the Board shall serve a 3-year term.

(B) **INITIAL APPOINTMENT.**—In making the initial appointments to the Board, the Secretary shall stagger the terms of the members so that—

(i) 1 producer member and peanut industry member from each peanut producing region serves a 1-year term;

(ii) 1 producer member and peanut industry member from each peanut producing region serves a 2-year term; and

(iii) 1 producer member and peanut industry member from each peanut producing region serves a 3-year term.

(4) CONSULTATION REQUIRED.—The Secretary shall consult with the Board in advance whenever the Secretary establishes or changes, or considers the establishment of or a change to, quality and handling standards for peanuts.

(5) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Board.

(d) PRIORITY.—The Secretary shall make identifying and combating the presence of all quality concerns related to peanuts a priority in the development of quality and handling standards for peanuts and in the inspection of domestically produced and imported peanuts. The Secretary shall consult with appropriate Federal and State agencies to provide adequate safeguards against all quality concerns related to peanuts.

(e) CONSISTENT STANDARDS.—Imported peanuts shall be subject to the same quality and handling standards as apply to domestically produced peanuts.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to other funds that are available to carry out this section, there is authorized to be appropriated such sums as are necessary to carry out this section.

(2) TREATMENT OF BOARD EXPENSES.—The expenses of the Peanut Standards Board shall not be counted toward any general limitation on the expenses of advisory committees, panels, commissions, and task forces of the Department of Agriculture, whether enacted before, on, or after the date of enactment of this Act, unless the limitation specifically refers to this paragraph and specifically includes the Peanut Standards Board within the general limitation.

(g) TRANSITION RULE.—

(1) TEMPORARY DESIGNATION OF PEANUT ADMINISTRATIVE COMMITTEE MEMBERS.—Notwithstanding the appointment process specified in subsection (c) for the Peanut Standards Board, during the transition period, the Secretary may designate persons serving as members of the Peanut Administrative Committee on the day before the date of enactment of this Act to serve as members of the Peanut Standards Board for the purpose of carrying out the duties of the Board described in this section.

(2) FUNDS.—The Secretary may transfer any funds available to carry out the activities of the Peanut Administrative Committee to the Peanut Standards Board to carry out the duties of the Board described in this section.

(3) TRANSITION PERIOD.—In paragraph (1), the term “transition period” means the period beginning on the date of enactment of this Act and ending on the earlier of—

- (A) the date the Secretary appoints the members of the Peanut Standards Board pursuant to subsection (c); or
- (B) 180 days after the date of enactment of this Act.

(h) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

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TITLE II—CONSERVATION

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Subtitle F—Other Conservation Programs

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SEC. 2507. TERMINAL LAKES ASSISTANCE.

[(a) DEFINITIONS.—In this section:

[(1) ELIGIBLE LAND.—The term “eligible land” means privately owned agricultural land (including land in which a State has a property interest as a result of State water law)—

[(A) that a landowner voluntarily agrees to sell to a State; and

[(B) which—

[(i)(I) is ineligible for enrollment as a wetland reserve easement established under the agricultural conservation easement program under subtitle H of the Food Security Act of 1985;

[(II) is flooded to—

[(aa) an average depth of at least 6.5 feet;

or

[(bb) a level below which the State determines the management of the water level is beyond the control of the State or landowner;

or

[(III) is inaccessible for agricultural use due to the flooding of adjoining property (such as islands of agricultural land created by flooding);

[(ii) is located within a watershed with water rights available for lease or purchase; and

[(iii) has been used during at least 5 of the immediately preceding 30 years—

[(I) to produce crops or hay; or

[(II) as livestock pasture or grazing.

[(2) PROGRAM.—The term “program” means the voluntary land purchase program established under this section.

[(3) TERMINAL LAKE.—The term “terminal lake” means a lake and its associated riparian and watershed resources that is—

[(A) considered flooded because there is no natural outlet for water accumulating in the lake or the associated riparian area such that the watershed and surrounding land is consistently flooded; or

[(B) considered terminal because it has no natural outlet and is at risk due to a history of consistent Federal assistance to address critical resource conditions, including insufficient water available to meet the needs of the lake, general uses, and water rights.

[(b) ASSISTANCE.—The Secretary shall—

[(1) provide grants under subsection (c) for the purchase of eligible land impacted by a terminal lake described in subsection (a)(3)(A); and

[(2) provide funds to the Secretary of the Interior pursuant to subsection (e)(2) with assistance in accordance with subsection (d) for terminal lakes described in subsection (a)(3)(B).

[(c) LAND PURCHASE GRANTS.—

[(1) IN GENERAL.—Using funds provided under subsection (e)(1), the Secretary shall make available land purchase grants to States for the purchase of eligible land in accordance with this subsection.

[(2) IMPLEMENTATION.—

[(A) AMOUNT.—A land purchase grant shall be in an amount not to exceed the lesser of—

[(i) 50 percent of the total purchase price per acre of the eligible land; or

[(ii)(I) in the case of eligible land that was used to produce crops or hay, \$400 per acre; and

[(II) in the case of eligible land that was pasture or grazing land, \$200 per acre.

[(B) DETERMINATION OF PURCHASE PRICE.—A State purchasing eligible land with a land purchase grant shall ensure, to the maximum extent practicable, that the purchase price of such land reflects the value, if any, of other encumbrances on the eligible land to be purchased, including easements and mineral rights.

[(C) COST-SHARE REQUIRED.—To be eligible to receive a land purchase grant, a State shall provide matching non-Federal funds in an amount equal to 50 percent of the amount described in subparagraph (A), including additional non-Federal funds.

[(D) CONDITIONS.—To receive a land purchase grant, a State shall agree—

[(i) to ensure that any eligible land purchased is—

[(I) conveyed in fee simple to the State; and

[(II) free from mortgages or other liens at the time title is transferred;

[(ii) to maintain ownership of the eligible land in perpetuity;

[(iii) to pay (from funds other than grant dollars awarded) any costs associated with the purchase of eligible land under this section, including surveys and legal fees; and

[(iv) to keep eligible land in a conserving use, as defined by the Secretary.

[(E) LOSS OF FEDERAL BENEFITS.—Eligible land purchased with a grant under this section shall lose eligibility for any benefits under other Federal programs, including—

[(i) benefits under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

[(ii) benefits under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

[(iii) covered benefits described in section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a).

[(F) PROHIBITION.—Any Federal rights or benefits associated with eligible land prior to purchase by a State may not be transferred to any other land or person in anticipation of or as a result of such purchase.

[(d) WATER ASSISTANCE.—

[(1) IN GENERAL.—The Secretary of the Interior, acting through the Commissioner of Reclamation, may use the funds described in subsection (e)(2) to administer and provide financial assistance to carry out this subsection to provide water and assistance to a terminal lake described in subsection (a)(3)(B) through willing sellers or willing participants only—

[(A) to lease water;

[(B) to purchase land, water appurtenant to the land, and related interests; and

[(C) to carry out research, support, and conservation activities for associated fish, wildlife, plant, and habitat resources.

[(2) EXCLUSIONS.—The Secretary of the Interior may not use this subsection to deliver assistance to the Great Salt Lake in Utah, lakes that are considered dry lakes, or other lakes that do not meet the purposes of this section, as determined by the Secretary of the Interior.

[(3) TRANSITIONAL PROVISION.—

[(A) IN GENERAL.—Notwithstanding any other provision of this section, any funds made available before the date of enactment of the Agricultural Act of 2014 under a provision of law described in subparagraph (B) shall remain available using the provisions of law (including regulations) in effect on the day before the date of enactment of that Act.

[(B) DESCRIBED LAWS.—The provisions of law described in this section are—

[(i) section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107–171) (as in effect on the day before the date of enactment of the Agricultural Act of 2014);

[(ii) section 207 of the Energy and Water Development Appropriations Act, 2003 (Public Law 108–7; 117 Stat. 146);

[(iii) section 208 of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2268, 123 Stat. 2856); and

[(iv) section 208 of the Energy and Water Development and Related Agencies Appropriations Act, 2010 (Public Law 111–85; 123 Stat. 2858, 123 Stat. 2967, 125 Stat. 867).

[(e) FUNDING.—

[(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out subsection (c) \$25,000,000, to remain available until expended.

[(2) COMMODITY CREDIT CORPORATION.—As soon as practicable after the date of enactment of the Agricultural Act of 2014, the Secretary shall transfer to the “Bureau of Reclamation—Water and Related Resources” account \$150,000,000 from the funds of the Commodity Credit Corporation to carry out subsection (d), to remain available until expended.]

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TITLE III—TRADE

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SEC. 3107. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section, the term “agricultural commodity” means an agricultural commodity, or a product of an agricultural commodity, that is produced in the United States.

(b) PROGRAM.—Subject to subsection (1), the Secretary may establish a program, to be known as “McGovern-Dole International Food for Education and Child Nutrition Program”, requiring the procurement of agricultural commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school food for education programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(c) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible to be provided under this section;

(2) as necessary to achieve the purposes of this section, funds appropriated under this section may be used to pay—

(A)(i) the cost of acquiring agricultural commodities;

(ii) the costs associated with packaging, enrichment, preservation, and fortification of agricultural commodities;

(iii) the processing, transportation, handling, and other incidental costs up to the time of the delivery of agricultural commodities free on board vessels in United States ports;

(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

(v) the costs associated with transporting agricultural commodities from United States ports to designated points of entry abroad in the case—

(I) of landlocked countries;

(II) of ports that cannot be used effectively because of natural or other disturbances;

(III) of the unavailability of carriers to a specific country; or

(IV) of substantial savings in costs or time that may be effected by the utilization of points of entry other than ports; and

(vi) the charges for general average contributions arising out of the ocean transport of agricultural commodities transferred pursuant thereto;

- (B) all or any part of the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that—
- (i) payment of the costs is appropriate; and
 - (ii) the recipient country is a low income, net food-importing country that—
 - (I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and
 - (II) has a national government that is committed to or is working toward, through a national action plan, the goals of the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum, convened in 2000;
- (C) the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and
- (D) the costs of meeting the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations that are implementing activities under this section.
- (d) GENERAL AUTHORITIES.—The Secretary shall—
- (1) implement the program established under this section;
 - (2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and
 - (3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in the country.
- (e) ELIGIBLE ENTITIES.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments of developing countries and their agencies, and other organizations.
- (f) PROCEDURES.—
- (1) IN GENERAL.—In carrying out subsection (b), the Secretary shall ensure that procedures are established that—
 - (A) provide for the submission of proposals by eligible entities, each of which may include 1 or more recipient countries, for commodities and other assistance under this section;
 - (B) provide for eligible commodities and assistance on a multiyear basis *and, to the extent practicable, that assistance will be provided on a timely basis so as to coincide with the beginning of and when needed during the relevant school year;*
 - (C) ensure that eligible entities demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible entities on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible entities to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the Secretary may consider the ability of eligible entities to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, including maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation of the programs and activities to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of programs in the recipient country.

(g) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (b)(1) and on implementation of the programs in the field in recipient countries.

(h) MULTILATERAL INVOLVEMENT.—

(1) IN GENERAL.—The Secretary is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs similar to programs supported under this section.

(2) REPORTS.—The Secretary shall annually submit to the Committee on International Relations and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the commitments and activities of governments, in-

cluding the United States government, in the global effort to reduce child hunger and increase school attendance.

(i) PRIVATE SECTOR INVOLVEMENT.—The Secretary is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(j) GRADUATION.—An agreement with an eligible organization under this section shall include provisions—

(1) to—

(A) sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under a program under this section terminates; and

(B) estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this section; or

(2) to provide other long-term benefits to targeted populations of the recipient country.

(k) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Food for Peace Act (7 U.S.C. 1733(a)) applies with respect to the availability of commodities under this section.

(l) FUNDING.—

(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$84,000,000 for fiscal year 2009, to remain available until expended.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through **2018** 2023.

(3) ADMINISTRATIVE EXPENSES.—Funds made available to carry out this section may be used to pay the administrative expenses of the Department of Agriculture or any other Federal agency assisting in the implementation of this section.

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[SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

[(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the “program”) to address unique barriers that prohibit or threaten the export of United States specialty crops.

[(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and technical barriers to trade.

[(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

[(1) trade effect on market retention, market access, and market expansion; and

[(2) trade impact.

[(d) ANNUAL REPORT.—Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008 and

annually thereafter, the Secretary shall submit to the appropriate committees of Congress a report that contains, for the period covered by the report, a description of each factor that affects the export of specialty crops, including each factor relating to any—

- [(1) significant sanitary or phytosanitary issue; or
- [(2) trade barrier.

[(e) FUNDING.—

[(1) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

[(2) FUNDING AMOUNTS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

- [(A) \$4,000,000 for fiscal year 2008;
- [(B) \$7,000,000 for fiscal year 2009;
- [(C) \$8,000,000 for fiscal year 2010; and
- [(D) \$9,000,000 for each of fiscal years 2011 through 2018.]

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TITLE IV—NUTRITION PROGRAMS

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Subtitle D—Miscellaneous

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SEC. 4402. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out and expand the seniors farmers' market nutrition program \$20,600,000 for each of fiscal years 2008 through [2018] 2023.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

- (1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, honey, and herbs from farmers' markets, roadside stands, and community supported agriculture programs to low-income seniors;
- (2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and
- (3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) EXCLUSION OF BENEFITS IN DETERMINING ELIGIBILITY FOR OTHER PROGRAMS.—The value of any benefit provided to any eligible seniors farmers' market nutrition program recipient under this section shall not be considered to be income or resources for any purposes under any Federal, State, or local law.

(d) PROHIBITION ON COLLECTION OF SALES TAX.—Each State shall ensure that no State or local tax is collected within the State

on a purchase of food with a benefit distributed under the seniors farmers' market nutrition program.

(e) REGULATIONS.—The Secretary may promulgate such regulations as the Secretary considers to be necessary to carry out the seniors farmers' market nutrition program.

(f) FEDERAL LAW NOT APPLICABLE.—Section 920 of the Electronic Fund Transfer Act shall not apply to electronic benefit transfer systems established under this section.

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TITLE VI—RURAL DEVELOPMENT

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Subtitle E—Miscellaneous

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SEC. 6402. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSE.—The purpose of this section is to direct the Secretary of Agriculture to establish a demonstration program under which agricultural producers are provided—

(1) technical assistance, consisting of engineering services, applied research, scale production, and similar services, to enable the agricultural producers to establish businesses to produce value-added agricultural commodities or products;

(2) assistance in marketing, market development, and business planning; and

(3) organizational, outreach, and development assistance to increase the viability, growth, and sustainability of businesses that produce value-added agricultural commodities or products.

(b) DEFINITIONS.—In this section:

(1) PROGRAM.—The term “Program” means the Agriculture Innovation Center Demonstration Program established under subsection (c).

(2) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(c) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a demonstration program, to be known as the “Agriculture Innovation Center Demonstration Program” under which the Secretary shall—

(1) make grants to assist eligible entities in establishing Agriculture Innovation Centers to enable agricultural producers to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible entities in establishing Agriculture Innovation Centers through the research and technical services of the Department of Agriculture.

(d) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An entity shall be eligible for a grant and assistance described in subsection (c) to establish an Agriculture Innovation Center if—

(A) the entity—

(i) has provided services similar to the services described in subsection (a); or

(ii) demonstrates the capability of providing such services;

(B) the application of the entity for the grant and assistance includes a plan, in accordance with regulations promulgated by the Secretary, that outlines—

(i) the support for the entity in the agricultural community;

(ii) the technical and other expertise of the entity; and

(iii) the goals of the entity for increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products;

(C) the entity demonstrates that adequate resources (in cash or in kind) are available, or have been committed to be made available, to the entity, to increase and improve the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products; and

(D) the Agriculture Innovation Center of the entity has a board of directors established in accordance with paragraph (2).

(2) BOARD OF DIRECTORS.—Each Agriculture Innovation Center of an eligible entity shall have a board of directors composed of representatives of each of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the eligible entity is located.

(B) The department of agriculture, or similar State department or agency, of the State in which the eligible entity is located.

(C) Entities representing the 4 highest grossing commodities produced in the State, determined on the basis of annual gross cash sales.

(e) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (i), under the Program, the Secretary shall make, on a competitive basis, annual grants to eligible entities.

(2) MAXIMUM AMOUNT OF GRANTS.—A grant under paragraph (1) shall be in an amount that does not exceed the lesser of—

(A) \$1,000,000; or

(B) twice the dollar amount of the resources (in cash or in kind) that the eligible entity demonstrates are available, or have been committed to be made available, to the eligible entity in accordance with subsection (d)(1)(C).

(3) MAXIMUM NUMBER OF GRANTS.—

(A) FIRST FISCAL YEAR OF PROGRAM.—In the first fiscal year of the Program, the Secretary shall make grants to not more than 5 eligible entities.

(B) SECOND FISCAL YEAR OF PROGRAM.—In the second fiscal year of the Program, the Secretary may make grants to—

- (i) the eligible entities to which grants were made under subparagraph (A); and
- (ii) not more than 10 additional eligible entities.

(4) STATE LIMITATION.—

(A) IN GENERAL.—Subject to subparagraph (B), in the first 3 fiscal years of the Program, the Secretary shall not make a grant under the Program to more than 1 entity in any 1 State.

(B) COLLABORATION.—Nothing in subparagraph (A) precludes a recipient of a grant under the Program from collaborating with any other institution with respect to activities conducted using the grant.

(f) USE OF FUNDS.—An eligible entity to which a grant is made under the Program may use the grant only for the following purposes (but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224)):

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the Agriculture Innovation Center of the eligible entity.

(4) The making of matching grants, each of which shall be in an amount not to exceed \$5,000, to agricultural producers, except that the aggregate amount of all such matching grants made by the eligible entity shall be not more than \$50,000.

(5) Legal services.

(6) Any other related cost, as determined by the Secretary.

(g) RESEARCH ON EFFECTS ON THE AGRICULTURAL SECTOR.—

(1) IN GENERAL.—Of the amount made available under subsection (i) for each fiscal year, the Secretary shall use \$300,000 to support research at a university concerning the effects of projects for value-added agricultural commodities or products on agricultural producers and the commodity markets.

(2) RESEARCH ELEMENTS.—Research under paragraph (1) shall systematically examine, using linked, long-term, global projections of the agricultural sector, the potential effects of projects described in subparagraph (A) on—

(A) demand for agricultural commodities;

(B) market prices;

(C) farm income; and

(D) Federal outlays on commodity programs.

(h) REPORT TO CONGRESS.—

(1) IN GENERAL.—Not later than 3 years after the date on which the last of the first 10 grants is made under the Program, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—

(A) the effectiveness of the Program in improving and expanding the production of value-added agricultural commodities or products; and

(B) the effects of the Program on the economic viability of agricultural producers.

(2) REQUIRED ELEMENTS.—The report under paragraph (1) shall—

(A) include a description of the best practices and innovations found at each of the Agriculture Innovation Centers established under the Program; and

(B) specify the number and type of activities assisted, and the type of assistance provided, under the Program.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000 for each of fiscal years 2014 through **[2018]** 2023.

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SEC. 6407. RURAL ENERGY SAVINGS PROGRAM.

(a) PURPOSE.—The purpose of this section is to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) any public power district, public utility district, or similar entity, or any electric cooperative described in section 501(c)(12) or 1381(a)(2) of the Internal Revenue Code of 1986, that borrowed and repaid, prepaid, or is paying an electric loan made or guaranteed by the Rural Utilities Service (or any predecessor agency);

(B) any entity primarily owned or controlled by 1 or more entities described in subparagraph (A); or

(C) any other entity that is an eligible borrower of the Rural Utilities Service, as determined under section 1710.101 of title 7, Code of Federal Regulations (or a successor regulation).

(2) ENERGY EFFICIENCY MEASURES.—The term “energy efficiency measures” means, for or at property served by an eligible entity, structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency.

(3) QUALIFIED CONSUMER.—The term “qualified consumer” means a consumer served by an eligible entity that has the ability to repay a loan made under subsection (d), as determined by the eligible entity.

(4) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Administrator of the Rural Utilities Service.

(c) LOANS TO ELIGIBLE ENTITIES.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall make loans to eligible entities that agree to use the loan funds to make loans to qualified consumers for the purpose of implementing energy efficiency measures.

(2) REQUIREMENTS.—

(A) IN GENERAL.—As a condition of receiving a loan under this subsection, an eligible entity shall—

(i) establish a list of energy efficiency measures that is expected to decrease energy use or costs of qualified consumers;

(ii) prepare an implementation plan for use of the loan funds, including use of any interest to be received pursuant to subsection (d)(1)(A);

(iii) provide for appropriate measurement and verification to ensure—

(I) the effectiveness of the energy efficiency loans made by the eligible entity; and

(II) that there is no conflict of interest in carrying out this section; and

(iv) demonstrate expertise in effective use of energy efficiency measures at an appropriate scale.

(B) REVISION OF LIST OF ENERGY EFFICIENCY MEASURES.—Subject to the approval of the Secretary, an eligible entity may update the list required under subparagraph (A)(i) to account for newly available efficiency technologies.

(C) EXISTING ENERGY EFFICIENCY PROGRAMS.—An eligible entity that, at any time before the date that is 60 days after the date of enactment of this section, has established an energy efficiency program for qualified consumers may use an existing list of energy efficiency measures, implementation plan, or measurement and verification system of that program to satisfy the requirements of subparagraph (A) if the Secretary determines the list, plan, or systems are consistent with the purposes of this section.

(3) NO INTEREST.—A loan under this subsection shall bear no interest.

(4) ELIGIBILITY FOR OTHER LOANS.—*The Secretary shall not include any debt incurred under this section in the calculation of a borrower's debt-equity ratio for purposes of eligibility for loans made pursuant to the Rural Electrification Act of 1936 (7 U.S.C. 901 et. seq.).*

[(4)] (5) REPAYMENT.—With respect to a loan under paragraph (1)—

(A) the term shall not exceed 20 years from the date on which the loan is closed; and

(B) except as provided in paragraph (6), the repayment of each advance shall be amortized for a period not to exceed 10 years.

[(5)] (6) AMOUNT OF ADVANCES.—Any advance of loan funds to an eligible entity in any single year shall not exceed 50 percent of the approved loan amount.

[(6)] (7) SPECIAL ADVANCE FOR START-UP ACTIVITIES.—

(A) IN GENERAL.—In order to assist an eligible entity in defraying the appropriate start-up costs (as determined by the Secretary) of establishing new programs or modifying existing programs to carry out subsection (d), the Secretary shall allow an eligible entity to request a special advance.

(B) AMOUNT.—No eligible entity may receive a special advance under this paragraph for an amount that is greater than 4 percent of the loan amount received by the eligible entity under paragraph (1).

(C) REPAYMENT.—Repayment of the special advance—

(i) shall be required during the 10-year period beginning on the date on which the special advance is made; and

(ii) at the election of the eligible entity, may be deferred to the end of the 10-year period.

[(7)] (8) LIMITATION.—All special advances shall be made under a loan described in paragraph (1) during the first 10 years of the term of the loan.

(9) ACCOUNTING.—*The Secretary shall take appropriate steps to streamline the accounting requirements imposed on borrowers under this section while maintaining adequate assurances of repayment of the loan.*

(d) LOANS TO QUALIFIED CONSUMERS.—

(1) TERMS OF LOANS.—Loans made by an eligible entity to qualified consumers using loan funds provided by the Secretary under subsection (c)—

(A) may bear interest, not to exceed [3 percent] 5 percent, to be used for purposes that include—

(i) to establish a loan loss reserve; and

(ii) to offset personnel and program costs of eligible entities to provide the loans;

(B) shall finance energy efficiency measures for the purpose of decreasing energy usage or costs of the qualified consumer by an amount that ensures, to the maximum extent practicable, that a loan term of not more than 10 years will not pose an undue financial burden on the qualified consumer, as determined by the eligible entity;

(C) shall not be used to fund purchases of, or modifications to, personal property unless the personal property is or becomes attached to real property (including a manufactured home) as a fixture;

(D) shall be repaid through charges added to the electric bill for the property for, or at which, energy efficiency measures are or will be implemented, on the condition that this requirement does not prohibit—

(i) the voluntary prepayment of a loan by the owner of the property; or

(ii) the use of any additional repayment mechanisms that are—

(I) demonstrated to have appropriate risk mitigation features, as determined by the eligible entity; or

(II) required if the qualified consumer is no longer a customer of the eligible entity; and

(E) shall require an energy audit by an eligible entity to determine the impact of proposed energy efficiency measures on the energy costs and consumption of the qualified consumer.

(2) CONTRACTORS.—In addition to any other qualified general contractor, eligible entities may serve as general contractors.

(e) CONTRACT FOR MEASUREMENT AND VERIFICATION, TRAINING, AND TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, the Secretary—

(A) shall establish a plan for measurement and verification, training, and technical assistance of the program; and

(B) may enter into 1 or more contracts with a qualified entity for the purposes of—

(i) providing measurement and verification activities; and

(ii) developing a program to provide technical assistance and training to the employees of eligible entities to carry out this section.

(2) USE OF SUBCONTRACTORS AUTHORIZED.—A qualified entity that enters into a contract under paragraph (1) may use subcontractors to assist the qualified entity in carrying out the contract.

(f) ADDITIONAL AUTHORITY.—The authority provided in this section is in addition to any other authority of the Secretary to offer loans under any other law.

(g) EFFECTIVE PERIOD.—Subject to the availability of funds and except as otherwise provided in this section, the loans and other expenditures required to be made under this section shall be available until expended, with the Secretary authorized to make new loans as loans are repaid.

(h) REPORT TO CONGRESS.—*Not later than 120 days after the end of each fiscal year, the Secretary shall submit to the Committees on Agriculture and Appropriations of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry and Appropriations of the Senate a report that describes—*

(1) the number of applications received under this section in such fiscal year;

(2) the number of loans made to eligible entities under this section in such fiscal year; and

(3) the recipients of such loans.

[(h)] (i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2014 through [2018] 2023.

TITLE VII—RESEARCH AND RELATED MATTERS

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Subtitle D—New Authorities

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SEC. 7405. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) DEFINITION OF BEGINNING FARMER OR RANCHER.—In this section, the term “beginning farmer or rancher” means a person that—

(1)(A) has not operated a farm or ranch; or
(B) has operated a farm or ranch for not more than 10 years;

and

(2) meets such other criteria as the Secretary may establish.

[(b)] PROGRAM.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education,

outreach, and technical assistance initiatives for beginning farmers or ranchers.

[(c) GRANTS.—] (b) PROGRAMS.—

[(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants *or cooperative agreements* to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

[(A) basic livestock, forest management, and crop farming practices;

[(B) innovative farm, ranch, and private, nonindustrial forest land transfer strategies;

[(C) entrepreneurship and business training;

[(D) financial and risk management training (including the acquisition and management of agricultural credit);

[(E) natural resource management and planning;

[(F) diversification and marketing strategies;

[(G) curriculum development;

[(H) mentoring, apprenticeships, and internships;

[(I) resources and referral;

[(J) farm financial benchmarking;

[(K) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

[(L) agricultural rehabilitation and vocational training for veterans;

[(M) farm safety and awareness; and

[(N) other similar subject areas of use to beginning farmers or ranchers.]

(1) IN GENERAL.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives to increase opportunities for beginning farmers or ranchers.

(2) ELIGIBILITY.—To be eligible to receive a grant or cooperative agreement under this [subsection] section, the recipient shall be a collaborative State, tribal, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal, State, or tribal agency;

(C) a community-based or nongovernmental organization;

(D) a college or university (including an institution awarding an associate's degree) or foundation maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) MAXIMUM TERM AND SIZE OF GRANT.—

(A) IN GENERAL.—A grant *or cooperative agreement* under this [subsection] section shall—

(i) have a term that is not more than 3 years; and

(ii) be in an amount that is not more than \$250,000 for each year.

(B) CONSECUTIVE GRANTS.—An eligible recipient may receive consecutive grants or cooperative agreements under this [subsection] section.

[(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.]

(4) MATCHING REQUIREMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), to be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(B) EXCEPTION.—The Secretary may waive or reduce the matching requirement in subparagraph (A) if the Secretary determines such a waiver or modification is necessary to effectively reach an underserved area or population.

(5) EVALUATION CRITERIA.—In making grants or cooperative agreements under this [subsection] section, the Secretary shall evaluate—

(A) relevancy;

(B) technical merit;

(C) achievability;

(D) the expertise and track record of 1 or more applicants;

(E) the adequacy of plans for the participatory evaluation process, outcome-based reporting, and the communication of findings and results beyond the immediate target audience; and

(F) other appropriate factors, as determined by the Secretary.

(6) REGIONAL BALANCE.—In making grants or cooperative agreements under this [subsection] section, the Secretary shall, to the maximum extent practicable, ensure geographical diversity.

(7) PRIORITY.—In making grants or cooperative agreements under this [subsection] section, the Secretary shall give priority to partnerships and collaborations that are led by or include nongovernmental, community-based organizations, and school-based agricultural educational organizations with expertise in new agricultural producer training and outreach.

[(8) SET-ASIDES.—

[(A) IN GENERAL.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

[(i) limited resource beginning farmers or ranchers (as defined by the Secretary);

[(ii) socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)) who are beginning farmers or ranchers; and

[(iii) farmworkers desiring to become farmers or ranchers.

[(B) VETERAN FARMERS AND RANCHERS.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of veteran farmers and ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).]

[(9)] (8) PROHIBITION.—A grant or cooperative agreement made under this [subsection] section may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

[(10)] (9) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available to carry out this [subsection] section for administrative costs incurred by the Secretary in carrying out this section.

[(11)] (10) LIMITATION ON INDIRECT COSTS.—A recipient of a grant or cooperative agreement under this [subsection] section may not use more than 10 percent of the funds provided by the grant or cooperative agreement for the indirect costs of carrying out the initiatives described in paragraph (1).

[(12)] (11) COORDINATION PERMITTED.—A recipient of a grant or cooperative agreement under this [subsection] section using the grant or cooperative agreement as described in paragraph (8)(B) may coordinate with a recipient of a grant or cooperative agreement under section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) in addressing the needs of veteran farmers and ranchers with disabilities.

(c) GRANT REQUIREMENTS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives to increase opportunities for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(A) basic livestock, forest management, and crop farming practices;

(B) innovative farm, ranch, and private nonindustrial forest land access, and transfer and succession strategies and programs;

(C) entrepreneurship and business training;

(D) financial and risk management training (including the acquisition and management of agricultural credit);

(E) natural resource management and planning;

(F) diversification and marketing strategies;

(G) curriculum development;

(H) mentoring, apprenticeships, and internships;

(I) resources and referral;

(J) farm financial benchmarking;

(K) technical assistance to help beginning farmers or ranchers acquire land from retiring farmers and ranchers;

(L) agricultural rehabilitation and vocational training for veterans;

(M) food safety (including good agricultural practices training);

(N) farm safety and awareness; and

(O) other similar subject areas of use to beginning farmers or ranchers.

(2) SET-ASIDE.—

(A) IN GENERAL.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(i) limited resource beginning farmers or ranchers (as defined by the Secretary);

(ii) socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))) who are beginning farmers and ranchers; and

(iii) farmworkers desiring to become farmers or ranchers.

(B) VETERAN FARMERS AND RANCHERS.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of veteran farmers and ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).

(d) EDUCATION TEAMS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula [and conduct], *conduct* educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States[.], *or provide training and technical assistance initiatives for beginning farmers or ranchers or for trainers and service providers that work with beginning farmers or ranchers.*

(2) CURRICULUM.—In promoting the development of curricula, *educational programs and workshops, or training and technical assistance initiatives*, the Secretary shall, to the maximum extent practicable, include [modules] *content* tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(3) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(A) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(B) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(4) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate's degree) or foundations maintained by a college or university; and

(v) other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(e) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(f) STAKEHOLDER INPUT.—In carrying out this section, the Secretary shall seek stakeholder input from—

(1) beginning farmers and ranchers;

(2) national, State, tribal, and local organizations and other persons with expertise in operating beginning farmer and rancher programs; and

(3) the Advisory Committee on Beginning Farmers and Ranchers established under section 5 of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1929 note; Public Law 102–554).

(g) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—Nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers (*including retiring farmers and nonfarming landowners*) from participating in programs authorized under this section to the extent that the Secretary determines that such participation is appropriate and will not detract from the primary purpose of [educating] *increasing opportunities* for beginning farmers and ranchers.

(h) FUNDING.—

(1) MANDATORY FUNDING [FOR FISCAL YEARS 2009 THROUGH 2018].—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

(A) \$18,000,000 for fiscal year 2009;

(B) \$19,000,000 for each of fiscal years 2010 through 2012; and

(C) \$20,000,000 for each of fiscal years 2014 through [2018] 2023, to remain available until expended.

(2) AUTHORIZATION OF APPROPRIATIONS [FOR FISCAL YEARS 2014 THROUGH 2018].—In addition to funds provided under paragraph (1), there is authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2014 through [2018] 2023.

[(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 2013.]

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SEC. 7407. ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.

(a) IN GENERAL.—The Secretary shall collect and report data on the production and marketing of organic agricultural products.

(b) REQUIREMENTS.—In carrying out subsection (a), the Secretary shall, at a minimum—

- (1) collect and distribute comprehensive reporting of prices relating to organically produced agricultural products;
- (2) conduct surveys and analysis and publish reports relating to organic production, handling, distribution, retail, and trend studies (including consumer purchasing patterns); and
- (3) develop surveys and report statistical analysis on organically produced agricultural products.

(c) REPORT.—Not later than 180 days after the date of enactment of this subsection and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

- (1) describes the progress that has been made in implementing this section;
- (2) describes how data collection agencies (such as the Agricultural Marketing Service and the National Agricultural Statistics Service) are coordinating with data user agencies (such as the Risk Management Agency) to ensure that data collected under this section can be used by data user agencies, including by the Risk Management Agency to offer price elections for all organic crops; and
- (3) identifies any additional production and marketing data needs.

(d) FUNDING.—

[(1) MANDATORY FUNDING THROUGH FISCAL YEAR 2012.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$5,000,000, to remain available until expended.]

[(2) MANDATORY FUNDING.—In addition to any funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$5,000,000, to remain available until expended.]

(1) MANDATORY FUNDING FOR FISCAL YEAR 2019.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$5,000,000 for fiscal year 2019, to remain available until expended.

[(3)] (2) DISCRETIONARY FUNDING.—In addition to funds made available under [paragraphs (1) and (2)] *paragraph (1)*, there are authorized to be appropriated to carry out this section not more than \$5,000,000 for each of fiscal years 2008 through [2018] 2023, to remain available until expended.

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TITLE IX—ENERGY

* * * * *

SEC. 9002. BIOBASED MARKETS PROGRAM.

(a) FEDERAL PROCUREMENT OF BIOBASED PRODUCTS.—

(1) DEFINITION OF PROCURING AGENCY.—In this subsection, the term “procuring agency” means—

- (A) any Federal agency that is using Federal funds for procurement; or

(B) a person that is a party to a contract with any Federal agency, with respect to work performed under such a contract.

(2) PROCUREMENT PREFERENCE.—

(A) IN GENERAL.—

(i) PROCURING AGENCY DUTIES.—Except as provided in clause (ii) and subparagraph (B), after the date specified in applicable guidelines prepared pursuant to paragraph (3), each procuring agency shall—

(I) establish a procurement program, develop procurement specifications, and procure biobased products identified under the guidelines described in paragraph (3) in accordance with this section;

(II) with respect to items described in the guidelines, give a procurement preference to those items that—

(aa) are composed of the highest percentage of biobased products practicable; or

(bb) comply with the regulations issued under section 103 of Public Law 100–556 (42 U.S.C. 6914b–1); and

(III) establish a targeted biobased-only procurement requirement under which the procuring agency shall issue a certain number of biobased-only contracts when the procuring agency is purchasing products, or purchasing services that include the use of products, that are included in a biobased product category designated by the Secretary.

(ii) EXCEPTION.—The requirements of clause (i)(I) to establish a procurement program and develop procurement specifications shall not apply to a person described in paragraph (1)(B).

(B) FLEXIBILITY.—Notwithstanding subparagraph (A), a procuring agency may decide not to procure items described in that subparagraph if the procuring agency determines that the items—

(i) are not reasonably available within a reasonable period of time;

(ii) fail to meet—

(I) the performance standards set forth in the applicable specifications; or

(II) the reasonable performance standards of the procuring agencies; or

(iii) are available only at an unreasonable price.

(C) MINIMUM REQUIREMENTS.—Each procurement program required under this subsection shall, at a minimum—

(i) be consistent with applicable provisions of Federal procurement law;

(ii) ensure that items composed of biobased products will be purchased to the maximum extent practicable;

(iii) include a component to promote the procurement program;

(iv) provide for an annual review and monitoring of the effectiveness of the procurement program; and

(v) adopt 1 of the 2 policies described in subparagraph (D) or (E), or a policy substantially equivalent to either of those policies.

(D) CASE-BY-CASE POLICY.—

(i) IN GENERAL.—Subject to subparagraph (B) and except as provided in clause (ii), a procuring agency adopting the case-by-case policy shall award a contract to the vendor offering an item composed of the highest percentage of biobased products practicable.

(ii) EXCEPTION.—Subject to subparagraph (B), an agency adopting the policy described in clause (i) may make an award to a vendor offering items with less than the maximum biobased products content.

(E) MINIMUM CONTENT STANDARDS.—Subject to subparagraph (B), a procuring agency adopting the minimum content standards policy shall establish minimum biobased products content specifications for awarding contracts in a manner that ensures that the biobased products content required is consistent with this subsection.

(F) CERTIFICATION.—After the date specified in any applicable guidelines prepared pursuant to paragraph (3), contracting offices shall require that vendors certify that the biobased products to be used in the performance of the contract will comply with the applicable specifications or other contractual requirements.

(3) GUIDELINES.—

(A) IN GENERAL.—The Secretary, after consultation with the Administrator, the Administrator of General Services, and the Secretary of Commerce (acting through the Director of the National Institute of Standards and Technology), shall prepare, and from time to time revise, guidelines for the use of procuring agencies in complying with the requirements of this subsection.

(B) REQUIREMENTS.—The guidelines under this paragraph shall—

(i) designate those items (including finished products) that are or can be produced with biobased products (including biobased products for which there is only a single product or manufacturer in the category) that will be subject to the preference described in paragraph (2);

(ii) designate those intermediate ingredients and feedstocks that are or can be used to produce items that will be subject to the preference described in paragraph (2);

(iii) automatically designate items composed of intermediate ingredients and feedstocks designated under clause (ii), if the content of the designated intermediate ingredients and feedstocks exceeds 50 percent of the item (unless the Secretary determines a different composition percentage is appropriate);

(iv) set forth recommended practices with respect to the procurement of biobased products and items containing such materials;

(v) require reporting of quantities and types of biobased products purchased by procuring agencies;

(vi) promote biobased products, including forest products, that apply an innovative approach to growing, harvesting, sourcing, procuring, processing, manufacturing, or application of biobased products regardless of the date of entry into the marketplace;

(vii) as determined to be necessary by the Secretary based on the availability of data, provide information as to the availability, relative price, performance, and environmental and public health benefits of such materials and items; and

(viii) take effect on the date established in the guidelines, which may not exceed 1 year after publication.

(C) INFORMATION PROVIDED.—Information provided pursuant to subparagraph (B)(v) with respect to a material or item shall be considered to be provided for another item made with the same material or item.

(D) PROHIBITION.—Guidelines issued under this paragraph may not require a manufacturer or vendor of biobased products, as a condition of the purchase of biobased products from the manufacturer or vendor, to provide to procuring agencies more data than would be required to be provided by other manufacturers or vendors offering products for sale to a procuring agency, other than data confirming the biobased content of a product.

(E) QUALIFYING PURCHASES.—The guidelines shall apply with respect to any purchase or acquisition of a procurement item for which—

(i) the purchase price of the item exceeds \$10,000; or

(ii) the quantity of the items or of functionally-equivalent items purchased or acquired during the preceding fiscal year was at least \$10,000.

(F) REQUIRED DESIGNATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall begin to designate intermediate ingredients or feedstocks and assembled and finished biobased products in the guidelines issued under this paragraph.

(4) ADMINISTRATION.—

(A) OFFICE OF FEDERAL PROCUREMENT POLICY.—The Office of Federal Procurement Policy, in cooperation with the Secretary, shall—

(i) coordinate the implementation of this subsection with other policies for Federal procurement;

(ii) annually collect the information required to be reported under subparagraph (B) and make the information publicly available;

(iii) take a leading role in informing Federal agencies concerning, and promoting the adoption of and compliance with, procurement requirements for biobased products by Federal agencies; and

(iv) not less than once every 2 years, submit to Congress a report that—

(I) describes the progress made in carrying out this subsection; and

(II) contains a summary of the information reported pursuant to subparagraph (B).

(B) OTHER AGENCIES.—To assist the Office of Federal Procurement Policy in carrying out subparagraph (A)—

(i) each procuring agency shall submit each year to the Office of Federal Procurement Policy, to the maximum extent practicable, information concerning—

(I) actions taken to implement paragraph (2);

(II) the results of the annual review and monitoring program established under paragraph (2)(C)(iv);

(III) the number and dollar value of contracts entered into during the year that include the direct procurement of biobased products;

(IV) the number of service and construction (including renovations) contracts entered into during the year that include language on the use of biobased products; and

(V) the types and dollar value of biobased products actually used by contractors in carrying out service and construction (including renovations) contracts during the previous year; and

(ii) the General Services Administration and the Defense Logistics Agency shall submit each year to the Office of Federal Procurement Policy information concerning, to the maximum extent practicable, the types and dollar value of biobased products purchased by procuring agencies.

(C) PROCUREMENT SUBJECT TO OTHER LAW.—Any procurement by any Federal agency that is subject to regulations of the Administrator under section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962) shall not be subject to the requirements of this section to the extent that the requirements are inconsistent with the regulations.

(b) LABELING.—

(1) IN GENERAL.—The Secretary, in consultation with the Administrator, shall establish a voluntary program under which the Secretary authorizes producers of biobased products to use the label “USDA Certified Biobased Product”.

(2) ELIGIBILITY CRITERIA.—

(A) CRITERIA.—

(i) IN GENERAL.—Not later than 90 days after the date of the enactment of the Food, Conservation, and Energy Act of 2008 and except as provided in clause

(ii), the Secretary, in consultation with the Administrator and representatives from small and large businesses, academia, other Federal agencies, and such other persons as the Secretary considers appropriate, shall issue criteria (as of the date of enactment of that Act) for determining which products may qualify to receive the label under paragraph (1).

(ii) EXCEPTION.—Clause (i) shall not apply to final criteria that have been issued (as of the date of enactment of that Act) by the Secretary.

(B) REQUIREMENTS.—Criteria issued under subparagraph (A) shall—

(i) encourage the purchase of products with the maximum biobased content;

(ii) provide that the Secretary may designate as biobased for the purposes of the voluntary program established under this subsection finished products that contain significant portions of biobased materials or components; and

(iii) to the maximum extent practicable, be consistent with the guidelines issued under subsection (a)(3).

(3) USE OF LABEL.—

(A) IN GENERAL.—The Secretary shall ensure that the label referred to in paragraph (1) is used only on products that meet the criteria issued pursuant to paragraph (2).

(B) AUDITING AND COMPLIANCE.—The Secretary may carry out such auditing and compliance activities as the Secretary determines to be necessary to ensure compliance with subparagraph (A).

(4) ASSEMBLED AND FINISHED PRODUCTS.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall begin issuing criteria for determining which assembled and finished products may qualify to receive the label under paragraph (1).

(c) RECOGNITION.—The Secretary shall—

(1) establish a program to recognize Federal agencies and private entities that use a substantial amount of biobased products; and

(2) encourage Federal agencies to establish incentives programs to recognize Federal employees or contractors that make exceptional contributions to the expanded use of biobased products.

(d) LIMITATION.—Nothing in this section shall apply to the procurement of motor vehicle fuels, heating oil, or electricity.

(e) INCLUSION.—Effective beginning on the date that is 90 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Architect of the Capitol, the Sergeant at Arms of the Senate, and the Chief Administrative Officer of the House of Representatives shall consider the biobased product designations made under this section in making procurement decisions for the Capitol Complex.

(f) NATIONAL TESTING CENTER REGISTRY.—The Secretary shall establish a national registry of testing centers for biobased products that will serve biobased product manufacturers.

(g) FOREST PRODUCTS LABORATORY COORDINATION.—In determining whether products are eligible for the “USDA Certified Biobased Product” label, the Secretary (acting through the Forest Products Laboratory) shall provide appropriate technical and other assistance to the program and applicants for forest products.

(h) REPORTS.—

(1) **IN GENERAL.**—Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008 and each year thereafter, the Secretary shall submit to Congress a report on the implementation of this section.

(2) **CONTENTS.**—Each report under paragraph (1) shall include—

(A) a comprehensive management plan that establishes tasks, milestones, and timelines, organizational roles and responsibilities, and funding allocations for fully implementing this section;

(B) information on the status of implementation of—

(i) item designations (including designation of intermediate ingredients and feedstocks); and

(ii) the voluntary labeling program established under subsection (b); and

(C) the progress made by other Federal agencies in compliance with the biobased procurement requirements, including the quantity of purchases made.

(3) **ECONOMIC IMPACT STUDY AND REPORT.**—

(A) **IN GENERAL.**—The Secretary shall conduct a study to assess the economic impact of the biobased products industry, including—

(i) the quantity of biobased products sold;

(ii) the value of the biobased products;

(iii) the quantity of jobs created;

(iv) the quantity of petroleum displaced;

(v) other environmental benefits; and

(vi) areas in which the use or manufacturing of biobased products could be more effectively used, including identifying any technical and economic obstacles and recommending how those obstacles can be overcome.

(B) **REPORT.**—Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall submit to Congress a report describing the results of the study conducted under subparagraph (A).

[(i) **FUNDING.**—

[(1) **MANDATORY FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$3,000,000 for each of fiscal years 2014 through 2018.

[(2) **DISCRETIONARY FUNDING.**—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2014 through 2018.]]

(i) **AUTHORIZATION OF APPROPRIATIONS.**—*There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2014 through 2023.*

(j) **BIOBASED PRODUCT INCLUSION.**—In this section, the term “biobased product” (as defined in section 9001) includes, with respect to forestry materials, forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging.

(k) **WOOD AND WOOD-BASED PRODUCTS.**—*Notwithstanding any other provision of law, a Federal agency may not place limitations*

on the procurement of wood and wood-based products that are more limiting than those in this section.

SEC. 9003. BIOREFINERY, RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING ASSISTANCE.

(a) **PURPOSE.**—The purpose of this section is to assist in the development of new and emerging technologies for the development of advanced biofuels, renewable chemicals, and biobased product manufacturing so as to—

- (1) increase the energy independence of the United States;
- (2) promote resource conservation, public health, and the environment;
- (3) diversify markets for agricultural and forestry products and agriculture waste material; and
- (4) create jobs and enhance the economic development of the rural economy.

(b) **DEFINITIONS.**—In this section:

(1) **BIOBASED PRODUCT MANUFACTURING.**—The term “biobased product manufacturing” means development, construction, and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities that will be used to convert renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.

(2) **ELIGIBLE ENTITY.**—The term “eligible entity” means an individual, entity, Indian tribe, or unit of State or local government, including a corporation, farm cooperative, farmer cooperative organization, association of agricultural producers, National Laboratory, institution of higher education, rural electric cooperative, public power entity, or consortium of any of those entities.

(3) **ELIGIBLE TECHNOLOGY.**—The term “eligible technology” means, as determined by the Secretary—

(A) a technology that is being adopted in a viable commercial-scale operation of a biorefinery that produces an advanced biofuel; **[and]** *or*

(B) a technology not described in subparagraph (A) that has been demonstrated to have technical and economic potential for commercial application in a biorefinery that produces an advanced biofuel.

(c) **ASSISTANCE.**—The Secretary shall make to available to eligible entities guarantees for loans made to fund the development, construction, and retrofitting of commercial-scale biorefineries using eligible technology.

(d) **LOAN GUARANTEES.**—

(1) **SELECTION CRITERIA.**—

(A) **IN GENERAL.**—In approving loan guarantee applications, the Secretary shall establish a priority scoring system that assigns priority scores to each application and only approve applications that exceed a specified minimum, as determined by the Secretary.

(B) **FEASIBILITY.**—In approving a loan guarantee application, the Secretary shall determine the technical and economic feasibility of the project based on a feasibility study of the project described in the application conducted by an independent third party.

(C) SCORING SYSTEM.—In determining the priority scoring system for loan guarantees under subsection (c), the Secretary shall consider—

(i) whether the applicant has established a market for the advanced biofuel and the byproducts produced;

(ii) whether the area in which the applicant proposes to place the biorefinery has other similar facilities;

(iii) whether the applicant is proposing to use a feedstock not previously used in the production of advanced biofuels;

(iv) whether the applicant is proposing to work with producer associations or cooperatives;

(v) the level of financial participation by the applicant, including support from non-Federal and private sources;

(vi) whether the applicant has established that the adoption of the process proposed in the application will have a positive impact on resource conservation, public health, and the environment;

(vii) whether the applicant can establish that if adopted, the biofuels production technology proposed in the application will not have any significant negative impacts on existing manufacturing plants or other facilities that use similar feedstocks;

(viii) the potential for rural economic development;

(ix) the level of local ownership proposed in the application; and

(x) whether the project can be replicated.

(D) PROJECT DIVERSITY.—In approving loan guarantee applications, the Secretary shall ensure that, to the extent practicable, there is diversity in the types of projects approved for loan guarantees to ensure that as wide a range as possible of technologies, products, and approaches are assisted.

(2) LIMITATIONS.—

(A) MAXIMUM AMOUNT OF LOAN GUARANTEED.—The principal amount of a loan guaranteed under subsection (c) may not exceed \$250,000,000.

(B) MAXIMUM PERCENTAGE OF LOAN GUARANTEED.—

(i) IN GENERAL.—Except as otherwise provided in this subparagraph, a loan guaranteed under subsection (c) shall be in an amount not to exceed 80 percent of the project costs, as determined by the Secretary.

(ii) OTHER DIRECT FEDERAL FUNDING.—The amount of a loan guaranteed for a project under subsection (c) shall be reduced by the amount of other direct Federal funding that the eligible entity receives for the same project.

(iii) AUTHORITY TO GUARANTEE THE LOAN.—The Secretary may guarantee up to 90 percent of the principal and interest due on a loan guaranteed under subsection (c).

- (C) LOAN GUARANTEE FUND DISTRIBUTION.—Of the funds made available for loan guarantees for a fiscal year under subsection (g), 50 percent of the funds shall be reserved for obligation during the second half of the fiscal year.
- (e) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.
- (f) CONDITION ON PROVISION OF ASSISTANCE.—
- (1) IN GENERAL.—As a condition of receiving a grant or loan guarantee under this section, an eligible entity shall ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed, in whole or in part, with the grant or loan guarantee, as the case may be, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141 through 3144, 3146, and 3147 of title 40, United States Code.
- (2) AUTHORITY AND FUNCTIONS.—The Secretary of Labor shall have, with respect to the labor standards described in paragraph (1), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. App) and section 3145 of title 40, United States Code.
- [(g) FUNDING.—
- [(1) MANDATORY FUNDING.—
- [(A) IN GENERAL.—Subject to subparagraph (B), of the funds of the Commodity Credit Corporation, the Secretary shall use for the cost of loan guarantees under this section, to remain available until expended—
- [(i) \$100,000,000 for fiscal year 2014; and
- [(ii) \$50,000,000 for each of fiscal years 2015 and 2016.
- [(B) BIOBASED PRODUCT MANUFACTURING.—Of the total amount of funds made available for fiscal years 2014 and 2015 under subparagraph (A), the Secretary may use for the cost of loan guarantees under this section not more than 15 percent of such funds to promote biobased product manufacturing.
- [(2) DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2014 through 2018.]
- (g) AUTHORIZATION OF APPROPRIATIONS.—*There is authorized to be appropriated to carry out this section \$75,000,000 for each of fiscal years 2014 through 2023.*

SEC. 9004. REPOWERING ASSISTANCE.

- (a) IN GENERAL.—The Secretary shall carry out a program to encourage biorefineries in existence on the date of enactment of the Food, Conservation, and Energy Act of 2008 to replace fossil fuels used to produce heat or power to operate the biorefineries by making payments for—
- (1) the installation of new systems that use renewable biomass; or
- (2) the new production of energy from renewable biomass.
- (b) PAYMENTS.—

(1) IN GENERAL.—The Secretary may make payments under this section to any biorefinery that meets the requirements of this section for a period determined by the Secretary.

(2) AMOUNT.—The Secretary shall determine the amount of payments to be made under this section to a biorefinery after considering—

(A) the quantity of fossil fuels a renewable biomass system is replacing;

(B) the percentage reduction in fossil fuel used by the biorefinery that will result from the installation of the renewable biomass system; and

(C) the cost and cost effectiveness of the renewable biomass system.

(c) ELIGIBILITY.—To be eligible to receive a payment under this section, a biorefinery shall demonstrate to the Secretary that the renewable biomass system of the biorefinery is feasible based on an independent feasibility study that takes into account the economic, technical and environmental aspects of the system.

[(d) FUNDING.—

[(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to make payments under this section \$12,000,000 for fiscal year 2014, to remain available until expended.

[(2) DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2014 through 2018.]

(d) AUTHORIZATION OF APPROPRIATIONS.—*There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2014 through 2023.*

SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.

(a) DEFINITION OF ELIGIBLE PRODUCER.—In this section, the term “eligible producer” means a producer of advanced biofuels.

(b) PAYMENTS.—The Secretary shall make payments to eligible producers to support and ensure an expanding production of advanced biofuels.

(c) CONTRACTS.—To receive a payment, an eligible producer shall—

(1) enter into a contract with the Secretary for production of advanced biofuels; and

(2) submit to the Secretary such records as the Secretary may require as evidence of the production of advanced biofuels.

(d) BASIS FOR PAYMENTS.—The Secretary shall make payments under this section to eligible producers based on—

(1) the quantity and duration of production by the eligible producer of an advanced biofuel;

(2) the net nonrenewable energy content of the advanced biofuel, if sufficient data is available, as determined by the Secretary; and

(3) other appropriate factors, as determined by the Secretary.

(e) EQUITABLE DISTRIBUTION.—[The Secretary may]

(1) AMOUNT.—*The Secretary shall limit the amount of payments that may be received by a single eligible producer under this section in order to distribute the total amount of funding available in an equitable manner.*

(2) *FEEDSTOCK.*—*The total amount of payments made in a fiscal year under this section to one or more eligible producers for the production of advanced biofuels derived from a single eligible commodity shall not exceed one-third of the total amount of funds made available under subsection (g).*

(f) *OTHER REQUIREMENTS.*—To receive a payment under this section, an eligible producer shall meet any other requirements of Federal and State law (including regulations) applicable to the production of advanced biofuels.

(g) *FUNDING.*—

(1) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to carry out this section \$50,000,000 for each of fiscal years 2019 through 2023.*

[(3)] (2) *LIMITATION.*—Of the funds provided for each fiscal year, not more than 5 percent of the funds shall be made available to eligible producers for production at facilities with a total refining capacity exceeding 150,000,000 gallons per year.】

SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.

(a) *ESTABLISHMENT.*—The Secretary shall, under such terms and conditions as the Secretary determines to be appropriate, make competitive grants to eligible entities to educate governmental and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

(b) *ELIGIBLE ENTITIES.*—To receive a grant under subsection (b), an entity shall—

(1) be a nonprofit organization or institution of higher education;

(2) have demonstrated knowledge of biodiesel fuel production, use, or distribution; and

(3) have demonstrated the ability to conduct educational and technical support programs.

(c) *CONSULTATION.*—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

[(d) *FUNDING.*—

[(1) *MANDATORY FUNDING.*—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$1,000,000 for each of fiscal years 2008 through 2018.

[(2) *DISCRETIONARY FUNDING.*—There is authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 2014 through 2018.】

(d) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2019 through 2023.*

SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.

(a) *ESTABLISHMENT.*—The Secretary, in consultation with the Secretary of Energy, shall establish a Rural Energy for America Program to promote energy efficiency and renewable energy development for agricultural producers and rural small businesses through—

(1) grants for energy audits and renewable energy development assistance; and

(2) financial assistance for energy efficiency improvements and renewable energy systems.

(b) ENERGY AUDITS AND RENEWABLE ENERGY DEVELOPMENT ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall make competitive grants to eligible entities to provide assistance to agricultural producers and rural small businesses—

- (A) to become more energy efficient; and
- (B) to use renewable energy technologies and resources.

(2) ELIGIBLE ENTITIES.—An eligible entity under this subsection is—

- (A) a unit of State, tribal, or local government;
- (B) a land-grant college or university or other institution of higher education;
- (C) a rural electric cooperative or public power entity;
- (D) a council (as defined in section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451)); and
- (E) any other similar entity, as determined by the Secretary.

(3) SELECTION CRITERIA.—In reviewing applications of eligible entities to receive grants under paragraph (1), the Secretary shall consider—

- (A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;
- (B) the geographic scope of the program proposed by the eligible entity in relation to the identified need;
- (C) the number of agricultural producers and rural small businesses to be assisted by the program;
- (D) the potential of the proposed program to produce energy savings and environmental benefits;
- (E) the plan of the eligible entity for performing outreach and providing information and assistance to agricultural producers and rural small businesses on the benefits of energy efficiency and renewable energy development; and
- (F) the ability of the eligible entity to leverage other sources of funding.

(4) USE OF GRANT FUNDS.—A recipient of a grant under paragraph (1) shall use the grant funds to assist agricultural producers and rural small businesses by—

- (A) conducting and promoting energy audits; and
- (B) providing recommendations and information on how—
 - (i) to improve the energy efficiency of the operations of the agricultural producers and rural small businesses; and
 - (ii) to use renewable energy technologies and resources in the operations.

(5) LIMITATION.—Grant recipients may not use more than 5 percent of a grant for administrative expenses.

(6) COST SHARING.—A recipient of a grant under paragraph (1) that conducts an energy audit for an agricultural producer or rural small business under paragraph (4) shall require that, as a condition of the energy audit, the agricultural producer or rural small business pay at least 25 percent of the cost of the

energy audit, which shall be retained by the eligible entity for the cost of the energy audit.

(c) FINANCIAL ASSISTANCE FOR ENERGY EFFICIENCY IMPROVEMENTS AND RENEWABLE ENERGY SYSTEMS.—

(1) IN GENERAL.—In addition to any similar authority, the Secretary shall provide loan guarantees and grants to agricultural producers and rural small businesses—

(A) to purchase renewable energy systems, including systems that may be used to produce and sell electricity; and

(B) to make energy efficiency improvements.

(2) AWARD CONSIDERATIONS.—In determining the amount of a loan guarantee or grant provided under this section, the Secretary shall take into consideration, as applicable—

(A) the type of renewable energy system to be purchased;

(B) the estimated quantity of energy to be generated by the renewable energy system;

(C) the expected environmental benefits of the renewable energy system;

(D) the quantity of energy savings expected to be derived from the activity, as demonstrated by an energy audit;

(E) the estimated period of time for the energy savings generated by the activity to equal the cost of the activity;

(F) the expected energy efficiency of the renewable energy system; and

(G) other appropriate factors.

(3) LIMITS.—

(A) GRANTS.—The amount of a grant under this subsection shall not exceed 25 percent of the cost of the activity carried out using funds from the grant.

(B) MAXIMUM AMOUNT OF LOAN GUARANTEES.—The amount of a loan guaranteed under this subsection shall not exceed \$25,000,000.

(C) MAXIMUM AMOUNT OF COMBINED GRANT AND LOAN GUARANTEE.—The combined amount of a grant and loan guaranteed under this subsection shall not exceed 75 percent of the cost of the activity funded under this subsection.

(4) TIERED APPLICATION PROCESS.—

(A) IN GENERAL.—In providing loan guarantees and grants under this subsection, the Secretary shall use a 3-tiered application process that reflects the size of proposed projects in accordance with this paragraph.

(B) TIER 1.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is not more than \$80,000.

(C) TIER 2.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is greater than \$80,000 but less than \$200,000.

(D) TIER 3.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is equal to or greater than \$200,000.

- (E) APPLICATION PROCESS.—The Secretary shall establish an application, evaluation, and oversight process that is the most simplified for tier I projects and more comprehensive for each subsequent tier.
- (d) OUTREACH.—The Secretary shall ensure, to the maximum extent practicable, that adequate outreach relating to this section is being conducted at the State and local levels.
- (e) LOWER-COST ACTIVITIES.—
- (1) LIMITATION ON USE OF FUNDS.—Except as provided in paragraph (2), the Secretary shall use not less than 20 percent of the funds made available under subsection (g) to provide grants of \$20,000 or less.
- (2) EXCEPTION.—Effective beginning on June 30 of each fiscal year, paragraph (1) shall not apply to funds made available under subsection (g) for the fiscal year.
- (f) REPORT.—Not later than 4 years after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall submit to Congress a report on the implementation of this section, including the outcomes achieved by projects funded under this section.
- (g) FUNDING.—
- (1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—
- (A) \$55,000,000 for fiscal year 2009;
- (B) \$60,000,000 for fiscal year 2010;
- (C) \$70,000,000 for fiscal year 2011;
- (D) \$70,000,000 for fiscal year 2012; and
- (E) \$50,000,000 [for fiscal year 2014 and each fiscal year thereafter] *for each of the fiscal years 2014 through 2018.*
- (2) AUDIT AND TECHNICAL ASSISTANCE FUNDING.—
- (A) IN GENERAL.—Subject to subparagraph (B), of the funds made available for each fiscal year under paragraph (1), 4 percent shall be available to carry out subsection (b).
- (B) OTHER USE.—Funds not obligated under subparagraph (A) by April 1 of each fiscal year to carry out subsection (b) shall become available to carry out subsection (c).
- (3) DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2014 through [2018] 2023.
- (h) CATEGORICAL EXCLUSION.—*The provision of a grant or financial assistance under this section to any electric generating facility, including one fueled with wind, solar, or biomass, that has a rating of 10 average megawatts or less is a category of actions hereby designated as being categorically excluded from any requirement to prepare an environmental assessment or an environmental impact statement under section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).*

SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.

- (a) DEFINITIONS.—In this section:
- (1) BIOBASED PRODUCT.—The term “biobased product” means—

- (A) an industrial product (including chemicals, materials, and polymers) produced from biomass; or
 - (B) a commercial or industrial product (including animal feed and electric power) derived in connection with the conversion of biomass to fuel.
- (2) DEMONSTRATION.—The term “demonstration” means demonstration of technology in a pilot plant or semi-works scale facility, including a plant or facility located on a farm.
- (3) INITIATIVE.—The term “Initiative” means the Biomass Research and Development Initiative established under subsection (e).
- (b) COOPERATION AND COORDINATION IN BIOMASS RESEARCH AND DEVELOPMENT.—
- (1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy shall coordinate policies and procedures that promote research and development regarding the production of biofuels and biobased products.
 - (2) POINTS OF CONTACT.—To coordinate research and development programs and activities relating to biofuels and biobased products that are carried out by their respective departments—
 - (A) the Secretary of Agriculture shall designate, as the point of contact for the Department of Agriculture, an officer of the Department of Agriculture appointed by the President to a position in the Department before the date of the designation, by and with the advice and consent of the Senate; and
 - (B) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy appointed by the President to a position in the Department before the date of the designation, by and with the advice and consent of the Senate.
- (c) BIOMASS RESEARCH AND DEVELOPMENT BOARD.—
- (1) ESTABLISHMENT.—There is established the Biomass Research and Development Board to carry out the duties described in paragraph (3).
 - (2) MEMBERSHIP.—The Board shall consist of—
 - (A) the point of contacts of the Department of Energy and the Department of Agriculture, who shall serve as co-chairpersons of the Board;
 - (B) a senior officer of each of the Department of the Interior, the Environmental Protection Agency, the National Science Foundation, and the Office of Science and Technology Policy, each of whom shall have a rank that is equivalent to the rank of the points of contact; and
 - (C) at the option of the Secretary of Agriculture and the Secretary of Energy, other members appointed by the Secretaries (after consultation with the Board).
 - (3) DUTIES.—The Board shall—
 - (A) coordinate research and development activities relating to biofuels and biobased products—
 - (i) between the Department of Agriculture and the Department of Energy; and
 - (ii) with other departments and agencies of the Federal Government;

- (B) provide recommendations to the points of contact concerning administration of this title;
- (C) ensure that—
 - (i) solicitations are open and competitive with awards made annually; and
 - (ii) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and
- (D) ensure that the panel of scientific and technical peers assembled under subsection (e) to review proposals is composed predominantly of independent experts selected from outside the Departments of Agriculture and Energy.
- (4) FUNDING.—Each agency represented on the Board is encouraged to provide funds for any purpose under this section.
- (5) MEETINGS.—The Board shall meet at least quarterly.
- (d) BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.—
 - (1) ESTABLISHMENT.—There is established the Biomass Research and Development Technical Advisory Committee to carry out the duties described in paragraph (3).
 - (2) MEMBERSHIP.—
 - (A) IN GENERAL.—The Advisory Committee shall consist of—
 - (i) an individual affiliated with the biofuels industry;
 - (ii) an individual affiliated with the biobased industrial and commercial products industry;
 - (iii) an individual affiliated with an institution of higher education who has expertise in biofuels and biobased products;
 - (iv) 2 prominent engineers or scientists from government or academia who have expertise in biofuels and biobased products;
 - (v) an individual affiliated with a commodity trade association;
 - (vi) 2 individuals affiliated with environmental or conservation organizations;
 - (vii) an individual associated with State government who has expertise in biofuels and biobased products;
 - (viii) an individual with expertise in energy and environmental analysis;
 - (ix) an individual with expertise in the economics of biofuels and biobased products;
 - (x) an individual with expertise in agricultural economics;
 - (xi) an individual with expertise in plant biology and biomass feedstock development;
 - (xii) an individual with expertise in agronomy, crop science, or soil science; and
 - (xiii) at the option of the points of contact, other members.
 - (B) APPOINTMENT.—The members of the Advisory Committee shall be appointed by the points of contact.
 - (3) DUTIES.—The Advisory Committee shall—
 - (A) advise the points of contact with respect to the Initiative; and

- (B) evaluate and make recommendations in writing to the Board regarding whether—
- (i) funds authorized for the Initiative are distributed and used in a manner that is consistent with the objectives, purposes, and considerations of the Initiative;
 - (ii) solicitations are open and competitive with awards made annually;
 - (iii) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest;
 - (iv) the points of contact are funding proposals under this title that are selected on the basis of merit, as determined by an independent panel of scientific and technical peers predominantly from outside the Departments of Agriculture and Energy; and
 - (v) activities under this title are carried out in accordance with this title.
- (4) COORDINATION.—To avoid duplication of effort, the Advisory Committee shall coordinate its activities with those of other Federal advisory committees working in related areas.
- (5) MEETINGS.—The Advisory Committee shall meet at least quarterly.
- (6) TERMS.—Members of the Advisory Committee shall be appointed for a term of 3 years.
- (e) BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—
- (1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy, acting through their respective points of contact and in consultation with the Board, shall establish and carry out a Biomass Research and Development Initiative under which competitively awarded grants, contracts, and financial assistance are provided to, or entered into with, eligible entities to carry out research on and development and demonstration of—
- (A) biofuels and biobased products; and
 - (B) the methods, practices, and technologies, for the production of biofuels and biobased products.
- (2) OBJECTIVES.—The objectives of the Initiative are to develop—
- (A) technologies and processes necessary for abundant commercial production of biofuels at prices competitive with fossil fuels;
 - (B) high-value biobased products—
 - (i) to enhance the economic viability of biofuels and power;
 - (ii) to serve as substitutes for petroleum-based feedstocks and products; and
 - (iii) to enhance the value of coproducts produced using the technologies and processes; and
 - (C) a diversity of economically and environmentally sustainable domestic sources of renewable biomass for conversion to biofuels, bioenergy, and biobased products.
- (3) TECHNICAL AREAS.—The Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this sub-

section as the “Secretaries”), shall direct the Initiative in the following areas:

- (A) FEEDSTOCKS DEVELOPMENT.—Research, development, and demonstration activities regarding feedstocks and feedstock logistics (including the harvest, handling, transport, preprocessing, and storage) relevant to production of raw materials for conversion to biofuels and biobased products.
- (B) BIOFUELS AND BIOBASED PRODUCTS DEVELOPMENT.—Research, development, and demonstration activities to support—
- (i) the development of diverse cost-effective technologies for the use of cellulosic biomass in the production of biofuels and biobased products; and
 - (ii) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feeds, and cogenerated power) that potentially can increase the feasibility of fuel production in a biorefinery.
- (C) BIOFUELS DEVELOPMENT ANALYSIS.—
- (i) STRATEGIC GUIDANCE.—The development of analysis that provides strategic guidance for the application of renewable biomass technologies to improve sustainability and environmental quality, cost effectiveness, security, and rural economic development.
 - (ii) ENERGY AND ENVIRONMENTAL IMPACT.—Development of systematic evaluations of the impact of expanded biofuel production on the environment (including forest land) and on the food supply for humans and animals, including the improvement and development of tools for life cycle analysis of current and potential biofuels.
 - (iii) ASSESSMENT OF FEDERAL LAND.—Assessments of the potential of Federal land resources to increase the production of feedstocks for biofuels and biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.
- (4) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in paragraph (3), the Secretaries shall support research and development—
- (A) to create continuously expanding opportunities for participants in existing biofuels production by seeking synergies and continuity with current technologies and practices;
 - (B) to maximize the environmental, economic, and social benefits of production of biofuels and derived biobased products on a large scale; and
 - (C) to facilitate small-scale production and local and on-farm use of biofuels, including the development of small-scale gasification technologies for production of biofuel from cellulosic feedstocks.
- (5) ELIGIBILITY.—To be eligible for a grant, contract, or assistance under this section, an applicant shall be—
- (A) an institution of higher education;

- (B) a National Laboratory;
 - (C) a Federal research agency;
 - (D) a State research agency;
 - (E) a private sector entity;
 - (F) a nonprofit organization; or
 - (G) a consortium of 2 or more entities described in subparagraphs (A) through (F).
- (6) ADMINISTRATION.—
- (A) IN GENERAL.—After consultation with the Board, the points of contact shall—
 - (i) publish annually 1 or more joint requests for proposals for grants, contracts, and assistance under this subsection;
 - (ii) require that grants, contracts, and assistance under this section be awarded based on a scientific peer review by an independent panel of scientific and technical peers;
 - (iii) give special consideration to applications that—
 - (I) involve a consortia of experts from multiple institutions;
 - (II) encourage the integration of disciplines and application of the best technical resources; and
 - (III) increase the geographic diversity of demonstration projects; and
 - (iv) require that the technical areas described in each of subparagraphs (A), (B), and (C) of paragraph (3) receive not less than 15 percent of funds made available to carry out this section.
 - (B) COST SHARE.—
 - (i) RESEARCH AND DEVELOPMENT PROJECTS.—
 - (I) IN GENERAL.—Except as provided in subclause (II), the non-Federal share of the cost of a research or development project under this section shall be not less than 20 percent.
 - (II) REDUCTION.—The Secretary of Agriculture or the Secretary of Energy, as appropriate, may reduce the non-Federal share required under subclause (I) if the appropriate Secretary determines the reduction to be necessary and appropriate.
 - (ii) DEMONSTRATION AND COMMERCIAL PROJECTS.—The non-Federal share of the cost of a demonstration or commercial project under this section shall be not less than 50 percent.
 - (C) TECHNOLOGY AND INFORMATION TRANSFER.—The Secretary of Agriculture and the Secretary of Energy shall ensure that applicable research results and technologies from the Initiative are—
 - (i) adapted, made available, and disseminated, as appropriate; and
 - (ii) included in the best practices database established under section 1672C(e) of the Food, Agriculture, Conservation, and Trade Act of 1990.
- (f) ADMINISTRATIVE SUPPORT AND FUNDS.—
- (1) IN GENERAL.—The Secretary of Energy and the Secretary of Agriculture may provide such administrative support and

funds of the Department of Energy and the Department of Agriculture to the Board and the Advisory Committee as are necessary to enable the Board and the Advisory Committee to carry out their duties under this section.

(2) OTHER AGENCIES.—The heads of the agencies referred to in subsection (c)(2)(B), and the other members of the Board appointed under subsection (c)(2)(C), are encouraged to provide administrative support and funds of their respective agencies to the Board and the Advisory Committee.

(3) LIMITATION.—Not more than 4 percent of the amount made available for each fiscal year under subsection (h) may be used to pay the administrative costs of carrying out this section.

(g) REPORTS.—For each fiscal year for which funds are made available to carry out this section, the Secretary of Energy and the Secretary of Agriculture shall jointly submit to Congress a detailed report on—

(1) the status and progress of the Initiative, including a report from the Advisory Committee on whether funds appropriated for the Initiative have been distributed and used in a manner that is consistent with the objectives and requirements of this section;

(2) the general status of cooperation and research and development efforts carried out at each agency with respect to biofuels and biobased products; and

(3) the plans of the Secretary of Energy and the Secretary of Agriculture for addressing concerns raised in the report, including concerns raised by the Advisory Committee.

[(h) FUNDING.—

[(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out this section, to remain available until expended—

[(A) \$20,000,000 for fiscal year 2009;

[(B) \$28,000,000 for fiscal year 2010;

[(C) \$30,000,000 for fiscal year 2011;

[(D) \$40,000,000 for fiscal year 2012; and

[(E) \$3,000,000 for each of fiscal years 2014 through 2017.

[(2) DISCRETIONARY FUNDING.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2014 through 2018.]

(h) AUTHORIZATION OF APPROPRIATIONS.—*There is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2019 through 2023.*

[SEC. 9009. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.

[(a) DEFINITIONS.—In this section:

[(1) ELIGIBLE RURAL COMMUNITY.—The term “eligible rural community” means a community located in a rural area (as defined in section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A))).

[(2) INITIATIVE.—The term “Initiative” means the Rural Energy Self-Sufficiency Initiative established under this section.

[(3) INTEGRATED RENEWABLE ENERGY SYSTEM.—The term “integrated renewable energy system” means a community-wide energy system that—

[(A) reduces conventional energy use; and

[(B) increases the use of energy from renewable sources.

[(b) ESTABLISHMENT.—The Secretary shall establish a Rural Energy Self-Sufficiency Initiative to provide financial assistance for the purpose of enabling eligible rural communities to substantially increase the energy self-sufficiency of the eligible rural communities.

[(c) GRANT ASSISTANCE.—

[(1) IN GENERAL.—The Secretary shall make grants available under the Initiative to eligible rural communities to carry out an activity described in paragraph (2).

[(2) USE OF GRANT FUNDS.—An eligible rural community may use a grant—

[(A) to conduct an energy assessment that assesses the total energy use of all energy users in the eligible rural community;

[(B) to formulate and analyze ideas for reducing energy usage by the eligible rural community from conventional sources; and

[(C) to develop and install an integrated renewable energy system.

[(3) GRANT SELECTION.—

[(A) APPLICATION.—To be considered for a grant, an eligible rural community shall submit an application to the Secretary that describes the ways in which the community would use the grant to carry out an activity described in paragraph (2).

[(B) PREFERENCE.—The Secretary shall give preference to those applications that propose to carry out an activity in coordination with—

[(i) institutions of higher education or nonprofit foundations of institutions of higher education;

[(ii) Federal, State, or local government agencies;

[(iii) public or private power generation entities; or

[(iv) government entities with responsibility for water or natural resources.

[(4) REPORT.—An eligible rural community receiving a grant under the Initiative shall submit to the Secretary a report on the project of the eligible rural community.

[(5) COST-SHARING.—The amount of a grant under the Initiative shall not exceed 50 percent of the cost of the activities described in the application.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2009 through 2013.]

SEC. 9010. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.

(a) DEFINITIONS.—In this section:

(1) BIOENERGY.—The term “bioenergy” means fuel grade ethanol and other biofuel.

(2) **BIOENERGY PRODUCER.**—The term “bioenergy producer” means a producer of bioenergy that uses an eligible commodity to produce bioenergy under this section.

(3) **ELIGIBLE COMMODITY.**—The term “eligible commodity” means a form of raw or refined sugar or in-process sugar that is eligible to be marketed in the United States for human consumption or to be used for the extraction of sugar for human consumption.

(4) **ELIGIBLE ENTITY.**—The term “eligible entity” means an entity located in the United States that markets an eligible commodity in the United States.

(b) **FEEDSTOCK FLEXIBILITY PROGRAM.**—

(1) **IN GENERAL.**—

(A) **PURCHASES AND SALES.**—For each of the 2008 through [2018] 2023 crops, the Secretary shall purchase eligible commodities from eligible entities and sell such commodities to bioenergy producers for the purpose of producing bioenergy in a manner that ensures that section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272) is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

(B) **COMPETITIVE PROCEDURES.**—In carrying out the purchases and sales required under subparagraph (A), the Secretary shall, to the maximum extent practicable, use competitive procedures, including the receiving, offering, and accepting of bids, when entering into contracts with eligible entities and bioenergy producers, provided that such procedures are consistent with the purposes of subparagraph (A).

(C) **LIMITATION.**—The purchase and sale of eligible commodities under subparagraph (A) shall only be made in crop years in which such purchases and sales are necessary to ensure that the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272) is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

(2) **NOTICE.**—

(A) **IN GENERAL.**—As soon as practicable after the date of enactment of the Food, Conservation, and Energy Act of 2008 and each September 1 thereafter through September 1, [2018] 2023, the Secretary shall provide notice to eligible entities and bioenergy producers of the quantity of eligible commodities that shall be made available for purchase and sale for the crop year following the date of the notice under this section.

(B) **REESTIMATES.**—Not later than the January 1, April 1, and July 1 of the calendar year following the date of a notice under subparagraph (A), the Secretary shall reestimate the quantity of eligible commodities determined under subparagraph (A), and provide notice and make purchases and sales based on such reestimates.

(3) **COMMODITY CREDIT CORPORATION INVENTORY.**—

(A) **DISPOSITIONS.**—

(i) **BIOENERGY AND GENERALLY.**—Except as provided in clause (ii), to the extent that an eligible commodity is owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272)), the Secretary shall—

(I) sell the eligible commodity to bioenergy producers under this section consistent with paragraph (1)(C);

(II) dispose of the eligible commodity in accordance with section 156(f)(2) of that Act; or

(III) otherwise dispose of the eligible commodity through the buyback of certificates of quota entry.

(ii) **PRESERVATION OF OTHER AUTHORITIES.**—Nothing in this section limits the use of other authorities for the disposition of an eligible commodity held in the inventory of the Commodity Credit Corporation for nonfood use or otherwise in a manner that does not increase the net quantity of sugar available for human consumption in the United States market, consistent with section 156(f)(1) of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272(f)(1)).

(B) **EMERGENCY SHORTAGES.**—Notwithstanding subparagraph (A), if there is an emergency shortage of sugar for human consumption in the United States market that is caused by a war, flood, hurricane, or other natural disaster, or other similar event, the Secretary may dispose of an eligible commodity that is owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272)) through disposition as authorized under section 156(f) of that Act or through the use of any other authority of the Commodity Credit Corporation.

(4) **TRANSFER RULE; STORAGE FEES.**—

(A) **GENERAL TRANSFER RULE.**—Except with regard to emergency dispositions under paragraph (3)(B) and as provided in subparagraph (C), the Secretary shall ensure that bioenergy producers that purchase eligible commodities pursuant to this section take possession of the eligible commodities within 30 calendar days of the date of such purchase from the Commodity Credit Corporation.

(B) **PAYMENT OF STORAGE FEES PROHIBITED.**—

(i) **IN GENERAL.**—The Secretary shall, to the maximum extent practicable, carry out this section in a manner that ensures no storage fees are paid by the Commodity Credit Corporation in the administration of this section.

(ii) **EXCEPTION.**—Clause (i) shall not apply with respect to any commodities owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272)).

(C) OPTION TO PREVENT STORAGE FEES.—

(i) IN GENERAL.—The Secretary may enter into contracts with bioenergy producers to sell eligible commodities to such producers prior in time to entering into contracts with eligible entities to purchase the eligible commodities to be used to satisfy the contracts entered into with the bioenergy producers.

(ii) SPECIAL TRANSFER RULE.—If the Secretary makes a sale and purchase referred to in clause (i), the Secretary shall ensure that the bioenergy producer that purchased eligible commodities takes possession of such commodities within 30 calendar days of the date the Commodity Credit Corporation purchases the eligible commodities.

(5) RELATION TO OTHER LAWS.—If sugar that is subject to a marketing allotment under part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is the subject of a payment under this section, the sugar shall be considered marketed and shall count against a processor's allocation of an allotment under such part, as applicable.

(6) FUNDING.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation, including the use of such sums as are necessary, to carry out this section.

SEC. 9011. BIOMASS CROP ASSISTANCE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) BCAP.—The term “BCAP” means the Biomass Crop Assistance Program established under this section.

(2) BCAP PROJECT AREA.—The term “BCAP project area” means an area that—

(A) has specified boundaries that are submitted to the Secretary by the project sponsor and subsequently approved by the Secretary;

(B) includes producers with contract acreage that will supply a portion of the renewable biomass needed by a biomass conversion facility; and

(C) is physically located within an economically practicable distance from the biomass conversion facility.

(3) CONTRACT ACREAGE.—The term “contract acreage” means eligible land that is covered by a BCAP contract entered into with the Secretary.

(4) ELIGIBLE CROP.—

(A) IN GENERAL.—The term “eligible crop” means a crop of renewable biomass.

(B) EXCLUSIONS.—The term “eligible crop” does not include—

(i) any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title; or

(ii) any plant that is invasive or noxious or species or varieties of plants that credible risk assessment tools or other credible sources determine are potentially invasive, as determined by the Secretary in con-

sultation with other appropriate Federal or State departments and agencies.

(5) ELIGIBLE LAND.—

(A) IN GENERAL.—The term “eligible land” includes—

(i) agricultural and nonindustrial private forest lands (as defined in section 5(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a(c)); and

(ii) land enrolled in the conservation reserve program established under subchapter B of chapter I of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), or the Agricultural Conservation Easement Program established under subtitle H of title XII of that Act, under a contract that will expire at the end of the current fiscal year.

(B) EXCLUSIONS.—The term “eligible land” does not include—

(i) Federal- or State-owned land;

(ii) land that is native sod, as of the date of enactment of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.);

(iii) land enrolled in the conservation reserve program established under subchapter B of chapter I of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), other than land described in subparagraph (A)(ii); or

(iv) land enrolled in the Agricultural Conservation Easement Program established under subtitle H of title XII of that Act, other than land described in subparagraph (A)(ii).

(6) ELIGIBLE MATERIAL.—

(A) IN GENERAL.—The term “eligible material” means renewable biomass harvested directly from the land, including crop residue from any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title.

(B) INCLUSIONS.—The term “eligible material” shall only include—

(i) eligible material that is collected or harvested by the eligible material owner—

(I) directly from—

(aa) National Forest System;

(bb) Bureau of Land Management land;

(cc) non-Federal land; or

(dd) land owned by an individual Indian or Indian tribe that is held in trust by the United States for the benefit of the individual Indian or Indian tribe or subject to a restriction against alienation imposed by the United States;

(II) in a manner that is consistent with—

(aa) a conservation plan;

(bb) a forest stewardship plan; or

(cc) a plan that the Secretary determines is equivalent to a plan described in item (aa) or

(bb) and consistent with Executive Order 13112 (42 U.S.C. 4321 note; relating to invasive species);

(ii) if woody eligible material, woody eligible material that is produced on land other than contract acreage that—

(I) is a byproduct of a preventative treatment that is removed to reduce hazardous fuel or to reduce or contain disease or insect infestation; and

(II) if harvested from Federal land, is harvested in accordance with section 102(e) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512(e)); and

(iii) eligible material that is delivered to a qualified biomass conversion facility to be used for heat, power, biobased products, research, or advanced biofuels.

(C) EXCLUSIONS.—The term “eligible material” does not include—

(i) material that is whole grain from any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title, including—

(I) barley, corn, grain sorghum, oats, rice, or wheat;

(II) honey;

(III) mohair;

(IV) oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, soybeans, sesame seed, and sunflower seed;

(V) peanuts;

(VI) pulse;

(VII) chickpeas, lentils, and dry peas;

(VIII) dairy products;

(IX) sugar; and

(X) wool and cotton boll fiber;

(ii) animal waste and byproducts, including fat, oil, grease, and manure;

(iii) food waste and yard waste;

(iv) algae;

(v) woody eligible material that—

(I) is removed outside contract acreage; and

(II) is not a byproduct of a preventative treatment to reduce hazardous fuel or to reduce or contain disease or insect infestation;

(vi) any woody eligible material collected or harvested outside contract acreage that would otherwise be used for existing market products; or

(vii) bagasse.

(7) PRODUCER.—The term “producer” means an owner or operator of contract acreage that is physically located within a BCAP project area.

(8) PROJECT SPONSOR.—The term “project sponsor” means—

(A) a group of producers; or

(B) a biomass conversion facility.

(9) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).

(b) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish and administer a Biomass Crop Assistance Program to—

(1) support the establishment and production of eligible crops for conversion to bioenergy in selected BCAP project areas; and

(2) assist agricultural and forest land owners and operators with the collection, harvest, storage, and transportation of eligible material for use in a biomass conversion facility.

(c) BCAP PROJECT AREA.—

(1) IN GENERAL.—The Secretary shall provide financial assistance to a producer of an eligible crop in a BCAP project area.

(2) SELECTION OF PROJECT AREAS.—

(A) IN GENERAL.—To be considered for selection as a BCAP project area, a project sponsor shall submit to the Secretary a proposal that, at a minimum, includes—

(i) a description of the eligible land and eligible crops of each producer that will participate in the proposed BCAP project area;

(ii) a letter of commitment from a biomass conversion facility that the facility will use the eligible crops intended to be produced in the proposed BCAP project area;

(iii) evidence that the biomass conversion facility has sufficient equity available, as determined by the Secretary, if the biomass conversion facility is not operational at the time the proposal is submitted to the Secretary; and

(iv) any other information about the biomass conversion facility or proposed biomass conversion facility that the Secretary determines necessary for the Secretary to be reasonably assured that the plant will be in operation by the date on which the eligible crops are ready for harvest.

(B) BCAP PROJECT AREA SELECTION CRITERIA.—In selecting BCAP project areas, the Secretary shall consider—

(i) the volume of the eligible crops proposed to be produced in the proposed BCAP project area and the probability that those crops will be used for the purposes of the BCAP;

(ii) the volume of renewable biomass projected to be available from sources other than the eligible crops grown on contract acres;

(iii) the anticipated economic impact in the proposed BCAP project area;

(iv) the opportunity for producers and local investors to participate in the ownership of the biomass conversion facility in the proposed BCAP project area;

(v) the participation rate by—

(I) beginning farmers or ranchers (as defined in accordance with section 343(a) of the Consolidated

Farm and Rural Development Act (7 U.S.C. 1991(a)); or

- (II) socially disadvantaged farmers or ranchers;
- (vi) the impact on soil, water, and related resources;
- (vii) the variety in biomass production approaches within a project area, including (as appropriate)—
 - (I) agronomic conditions;
 - (II) harvest and postharvest practices; and
 - (III) monoculture and polyculture crop mixes;
- (viii) the range of eligible crops among project areas;
- (ix) existing project areas that have received funding under this section and the continuation of funding of such project areas to advance the maturity of such project areas; and
- (x) any additional information that the Secretary determines to be necessary.

(3) CONTRACT.—

(A) IN GENERAL.—On approval of a BCAP project area by the Secretary, each producer in the BCAP project area shall enter into a contract directly with the Secretary.

(B) MINIMUM TERMS.—At a minimum, a contract under this subsection shall include terms that cover—

- (i) an agreement to make available to the Secretary, or to an institution of higher education or other entity designated by the Secretary, such information as the Secretary considers to be appropriate to promote the production of eligible crops and the development of biomass conversion technology;
- (ii) compliance with the highly erodible land conservation requirements of subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and the wetland conservation requirements of subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);
- (iii) the implementation of (as determined by the Secretary)—

- (I) a conservation plan;
- (II) a forest stewardship plan; or
- (III) a plan that is equivalent to a conservation or forest stewardship plan; and
- (iv) any additional requirements that Secretary determines to be necessary.

(C) DURATION.—A contract under this subsection shall have a term of not more than—

- (i) 5 years for annual and perennial crops; or
- (ii) 15 years for woody biomass.

(4) RELATIONSHIP TO OTHER PROGRAMS.—In carrying out this subsection, the Secretary shall provide for the preservation of cropland base and yield history applicable to the land enrolled in a BCAP contract.

(5) PAYMENTS.—

(A) IN GENERAL.—The Secretary shall make establishment and annual payments directly to producers to support the establishment and production of eligible crops on contract acreage.

(B) AMOUNT OF ESTABLISHMENT PAYMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the amount of an establishment payment under this subsection shall be not more than 50 percent of the costs of establishing an eligible perennial crop covered by the contract but not to exceed \$500 per acre, including—

- (I) the cost of seeds and stock for perennials;
- (II) the cost of planting the perennial crop, as determined by the Secretary; and
- (III) in the case of nonindustrial private forestland, the costs of site preparation and tree planting.

(ii) SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.—In the case of socially disadvantaged farmers or ranchers, the costs of establishment may not exceed \$750 per acre.

(C) AMOUNT OF ANNUAL PAYMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the amount of an annual payment under this subsection shall be determined by the Secretary.

(ii) REDUCTION.—The Secretary shall reduce an annual payment by an amount determined to be appropriate by the Secretary, if—

- (I) an eligible crop is used for purposes other than the production of energy at the biomass conversion facility;
 - (II) an eligible crop is delivered to the biomass conversion facility;
 - (III) the producer receives a payment under subsection (d);
 - (IV) the producer violates a term of the contract;
- or
- (V) the Secretary determines a reduction is necessary to carry out this section.

(D) EXCLUSION.—The Secretary shall not make any BCAP payments on land for which payments are received under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) or the agricultural conservation easement program established under subtitle H of title XII of that Act.

(d) ASSISTANCE WITH COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION.—

(1) IN GENERAL.—The Secretary shall make a payment for the delivery of eligible material to a biomass conversion facility to—

- (A) a producer of an eligible crop that is produced on BCAP contract acreage; or
- (B) a person with the right to collect or harvest eligible material, regardless of whether the eligible material is produced on contract acreage.

(2) PAYMENTS.—

(A) COSTS COVERED.—A payment under this subsection shall be in an amount described in subparagraph (B) for—

- (i) collection;
- (ii) harvest;

(iii) storage; and

(iv) transportation to a biomass conversion facility.

(B) AMOUNT.—Subject to paragraph (3), the Secretary may provide matching payments at a rate of up to \$1 for each \$1 per ton provided by the biomass conversion facility, in an amount not to exceed \$20 per dry ton for a period of 2 years.

(3) LIMITATION ON ASSISTANCE FOR BCAP CONTRACT ACREAGE.—As a condition of the receipt of an annual payment under subsection (c), a producer receiving a payment under this subsection for collection, harvest, storage, or transportation of an eligible crop produced on BCAP acreage shall agree to a reduction in the annual payment.

(e) REPORT.—Not later than 4 years after the date of enactment of the Agricultural Act of 2014, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the dissemination by the Secretary of the best practice data and information gathered from participants receiving assistance under this section.

(f) FUNDING.—

[(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$25,000,000 for each of fiscal years 2014 through 2018.]

(1) AUTHORIZATION OF APPROPRIATIONS.—*There is authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2019 through 2023.*

(2) COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION PAYMENTS.—Of the amount made available under paragraph (1) for each fiscal year, the Secretary shall use not less than 10 percent, nor more than 50 percent, of the amount to make collection, harvest, transportation, and storage payments under subsection (d)(2).

(3) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—Effective for fiscal year 2014 and each subsequent fiscal year, funds made available under this subsection shall be available for the provision of technical assistance with respect to activities authorized under this section.

(B) RELATIONSHIP TO OTHER LAWS.—To the extent funds obligated or expended under subparagraph (A) include funds of the Commodity Credit Corporation, such funds shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).

[SEC. 9013. COMMUNITY WOOD ENERGY PROGRAM.

[(a) DEFINITIONS.—In this section:

(1) BIOMASS CONSUMER COOPERATIVE.—The term “biomass consumer cooperative” means a consumer membership organization the purpose of which is to provide members with services or discounts relating to the purchase of biomass heating products or biomass heating systems.

[(2) COMMUNITY WOOD ENERGY PLAN.—The term “community wood energy plan” means an assessment of—

[(A) available feedstocks necessary to supply a community wood energy system; and

[(B) the long-term feasibility of supplying and operating a community wood energy system.

[(3) COMMUNITY WOOD ENERGY SYSTEM.—

[(A) IN GENERAL.—The term “community wood energy system” means an energy system that—

[(i) primarily services public facilities owned or operated by State or local governments, including schools, town halls, libraries, and other public buildings; and

[(ii) uses woody biomass as the primary fuel.

[(B) INCLUSIONS.—The term “community wood energy system” includes single facility central heating, district heating, combined heat and energy systems, and other related biomass energy systems.

[(b) GRANT PROGRAM.—

[(1) IN GENERAL.—The Secretary, acting through the Chief of the Forest Service, shall establish a program to be known as the “Community Wood Energy Program” to provide—

[(A) grants of up to \$50,000 to State and local governments (or designees) to develop community wood energy plans;

[(B) competitive grants to State and local governments to acquire or upgrade community wood energy systems; and

[(C) grants of up to \$50,000 to biomass consumer cooperatives for the purpose of establishing or expanding biomass consumer cooperatives that will provide consumers with services or discounts relating to—

[(i) the purchase of biomass heating systems;

[(ii) biomass heating products, including wood chips, wood pellets, and advanced biofuels; or

[(iii) the delivery and storage of biomass of heating products.

[(2) CONSIDERATIONS.—In selecting applicants for grants under paragraph (1)(B), the Secretary shall consider—

[(A) the energy efficiency of the proposed system;

[(B) the cost effectiveness of the proposed system; and

[(C) other conservation and environmental criteria that the Secretary considers appropriate.

[(3) USE OF PLAN.—A State or local government applying to receive a competitive grant described in paragraph (1)(B) shall submit to the Secretary as part of the grant application the applicable community wood energy plan.

[(c) LIMITATION.—A community wood energy system acquired with grant funds provided under subsection (b)(1)(B) shall not exceed an output of—

[(1) 50,000,000 Btu per hour for heating; and

[(2) 2 megawatts for electric power production.

[(d) MATCHING FUNDS.—

[(1) STATE AND LOCAL GOVERNMENTS.—A State or local government that receives a grant under subparagraph (A) or (B)

of subsection (b)(1) shall contribute an amount of non-Federal funds towards the development of the community wood energy plan, or acquisition of the community wood energy systems that is at least equal to the amount of grant funds received by the State or local government under that subsection.

[(2) BIOMASS CONSUMER COOPERATIVES.—A biomass consumer cooperative that receives a grant under subsection (b)(1)(C) shall contribute an amount of non-Federal funds (which may include State, local, and nonprofit funds and membership dues) toward the establishment or expansion of a biomass consumer cooperative that is at least equal to 50 percent of the amount of Federal funds received for that purpose.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2009 through 2018.]

SEC. 9013. COMMUNITY WOOD ENERGY AND WOOD INNOVATION PROGRAM.

(a) *DEFINITIONS.—In this section:*

(1) *COMMUNITY WOOD ENERGY SYSTEM.—*

(A) *IN GENERAL.—The term “community wood energy system” means an energy system that—*

(i) *produces thermal energy or combined thermal energy and electricity where thermal is the primary energy output;*

(ii) *services public facilities owned or operated by State or local governments (including schools, town halls, libraries, and other public buildings) or private or nonprofit facilities (including commercial and business facilities, such as hospitals, office buildings, apartment buildings, and manufacturing and industrial buildings); and*

(iii) *uses woody biomass, including residuals from wood processing facilities, as the primary fuel.*

(B) *INCLUSIONS.—The term “community wood energy system” includes single-facility central heating, district heating systems serving multiple buildings, combined heat and electric systems where thermal energy is the primary energy output, and other related biomass energy systems.*

(2) *INNOVATIVE WOOD PRODUCT FACILITY.—The term “innovative wood product facility” means a manufacturing or processing plant or mill that produces—*

(A) *building components or systems that use large panelized wood construction, including mass timber;*

(B) *wood products derived from nanotechnology or other new technology processes, as determined by the Secretary;*
or

(C) *other innovative wood products that use low-value, low-quality wood, as determined by the Secretary.*

(3) *MASS TIMBER.—The term “mass timber” includes—*

(A) *cross-laminated timber;*

(B) *nail-laminated timber;*

(C) *glue-laminated timber;*

(D) *laminated strand lumber; and*

(E) *laminated veneer lumber.*

(4) *PROGRAM.*—The term “Program” means the Community Wood Energy and Wood Innovation Program established under subsection (b).

(b) *COMPETITIVE GRANT PROGRAM.*—The Secretary, acting through the Chief of the Forest Service, shall establish a competitive grant program to be known as the “Community Wood Energy and Wood Innovation Program”.

(c) *MATCHING GRANTS.*—

(1) *IN GENERAL.*—Under the Program, the Secretary shall make grants to cover not more than 35 percent of the capital cost for installing a community wood energy system or building an innovative wood product facility.

(2) *SPECIAL CIRCUMSTANCES.*—The Secretary may establish special circumstances, such as in the case of a community wood energy system project or innovative wood product facility project involving a school or hospital in a low-income community, under which grants under the Program may cover up to 50 percent of the capital cost.

(3) *SOURCE OF MATCHING FUNDS.*—Matching funds required pursuant to this subsection from a grant recipient must be derived from non-Federal funds.

(d) *PROJECT CAP.*—The total amount of grants under the Program for a community wood energy system project or innovative wood product facility project may not exceed—

(1) in the case of grants under the general authority provided under subsection (c)(1), \$1,000,000; and

(2) in the case of grants for which the special circumstances apply under subsection (c)(2), \$1,500,000.

(e) *SELECTION CRITERIA.*—In selecting applicants for grants under the Program, the Secretary shall consider the following:

(1) The energy efficiency of the proposed community wood energy system or innovative wood product facility.

(2) The cost effectiveness of the proposed community wood energy system or innovative wood product facility.

(3) The extent to which the proposed community wood energy system or innovative wood product facility represents the best available commercial technology.

(4) The extent to which the applicant has demonstrated a high likelihood of project success by completing detailed engineering and design work in advance of the grant application.

(5) Other technical, economic, conservation, and environmental criteria that the Secretary considers appropriate.

(f) *GRANT PRIORITIES.*—In selecting applicants for grants under the Program, the Secretary shall give priority to proposals that—

(1) would be carried out in a location where markets are needed for the low-value, low-quality wood;

(2) would be carried out in a location with limited access to natural gas pipelines;

(3) would include the use or retrofitting (or both) of existing sawmill facilities located in a location where the average annual unemployment rate exceeded the national average unemployment rate by more than 1 percent during the previous calendar year; or

(4) would be carried out in a location where the project will aid with forest restoration.

(g) *LIMITATIONS.*—

(1) *CAPACITY OF COMMUNITY WOOD ENERGY SYSTEMS.*—A community wood energy system acquired with grant funds under the Program shall not exceed nameplate capacity of 10 megawatts of thermal energy or combined thermal and electric energy.

(2) *FUNDING FOR INNOVATIVE WOOD PRODUCT FACILITIES.*—Not more than 25 percent of funds provided as grants under the Program for a fiscal year may go to applicants proposing innovative wood product facilities, unless the Secretary has received an insufficient number of qualified proposals for community wood energy systems.

(h) *FUNDING.*—There is authorized to be appropriated to carry out the Program \$25,000,000 for each of fiscal years 2019 through 2023.

TITLE X—MISCELLANEOUS

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Subtitle F—Livestock

* * * * *

SEC. 10504. VETERINARY TRAINING.

The Secretary of Agriculture may develop a program to maintain in all regions of the United States a sufficient number of Federal and State veterinarians *and veterinary teams, including those based at colleges of veterinary medicine*, who are well trained in recognition and diagnosis of exotic and endemic animal diseases.

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Subtitle G—Specialty Crops

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SEC. 10603. PURCHASE OF SPECIALTY CROPS.

(a) *GENERAL PURCHASE AUTHORITY.*—Of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), for fiscal year 2002 and each subsequent fiscal year, the Secretary of Agriculture shall use not less than \$200,000,000 each fiscal year to purchase fruits, vegetables, and other specialty food crops.

(b) *PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.*—The Secretary of Agriculture shall purchase fresh fruits and vegetables for distribution to schools and service institutions in accordance with section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) using, of the amount specified in subsection (a), not less than \$50,000,000 for each of fiscal years 2008 through [2018] 2023.

(c) *DEFINITIONS.*—In this section, the terms “fruits”, “vegetables”, and “other specialty food crops” shall have the meaning given the terms by the Secretary of Agriculture.

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FOOD FOR PEACE ACT

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**TITLE II—EMERGENCY AND PRIVATE
ASSISTANCE PROGRAMS**

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SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

(a) **EMERGENCY ASSISTANCE.**—Notwithstanding any other provision of law, the Administrator may provide agricultural commodities to meet emergency food needs under this title through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations, in such manner and on such terms and conditions as the Administrator determines appropriate to respond to the emergency.

(b) **NONEMERGENCY ASSISTANCE.**—

(1) **IN GENERAL.**—The Administrator may provide agricultural commodities for nonemergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use the commodities in accordance with this title.

(2) **LIMITATION.**—The Administrator may not use as a sole rationale for denying a request for funds submitted under this subsection because the program for which the funds are requested—

(A) would be carried out by the eligible organization in a foreign country in which the Agency for International Development does not have a mission, office, or other presence; or

(B) is not part of a development plan for the country prepared by the Agency.

(3) **PROGRAM DIVERSITY.**—The Administrator shall—

(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities, consistent with section 201, to assist development of foreign countries.

(c) **USES OF ASSISTANCE.**—Agricultural commodities provided under this title may be made available for direct distribution, sale, barter, or other appropriate disposition.

(d) **ELIGIBLE ORGANIZATIONS.**—To be eligible to receive assistance under subsection (b) an organization shall be—

(1) a private voluntary organization or cooperative that is, to the extent practicable, registered with the Administrator; or

(2) an intergovernmental organization, such as the World Food Program.

(e) **SUPPORT FOR ELIGIBLE ORGANIZATIONS.**—

(1) **IN GENERAL.**—Of the funds made available in each fiscal year under this title to the Administrator, not less than 7.5

percent nor more than 20 percent of the funds shall be made available in each fiscal year to eligible organizations described in subsection (d), to assist the organizations in—

- (A) establishing and enhancing programs under this title;
- (B) meeting specific administrative, management, personnel, transportation, storage, and distribution costs for carrying out programs in foreign countries under this title;
- (C) implementing income-generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within 1 or more recipient countries or within 1 or more countries in the same region; and
- (D) improving and implementing methodologies for food aid programs, including needs assessments (upon the request of the Administrator), monitoring, and evaluation.

(2) REQUEST FOR FUNDS.—To receive funds made available under paragraph (1), an eligible organization described in subsection (d) shall submit a request for the funds that is subject to approval by the Administrator.

(3) ASSISTANCE WITH RESPECT TO SALE.—Upon the request of an eligible organization, the Administrator may provide assistance to the eligible organization with respect to the sale of agricultural commodities made available to it under this title.

(4) INVESTMENT AUTHORITY.—An eligible organization that receives funds made available under paragraph (1) may invest the funds pending the eligible organization's use of the funds. Any interest earned on such investment may be used for the purposes for which the assistance was provided to the eligible organization without further appropriation by Congress.

(f) EFFECTIVE USE OF COMMODITIES.—To ensure that agricultural commodities made available under this title are used effectively and in the areas of greatest need, organizations or cooperatives through which such commodities are distributed shall—

- (1) to the extent feasible, work with indigenous institutions and employ indigenous workers;
- (2) assess and take into account nutritional and other needs of beneficiary groups;
- (3) help such beneficiary groups design and carry out mutually acceptable projects;
- (4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;
- (5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and
- (6) periodically evaluate the effectiveness of projects undertaken under this title.

[(g) LABELING.—Commodities provided under this title shall, to the extent practicable, be clearly identified with appropriate markings on the package or container of such commodity in the language of the locality in which such commodities are distributed, as being furnished by the people of the United States of America.]

(g) LABELING OF ASSISTANCE.—*Agricultural commodities and other assistance provided under this title shall, to the extent prac-*

licable, be clearly identified with appropriate markings on the package or container of such commodities and food procured outside of the United States, or on printed material that accompanies other assistance, in the language of the locality in which such commodities and other assistance are distributed, as being furnished by the people of the United States of America.

(h) **FOOD AID QUALITY.**—

(1) **IN GENERAL.**—The Administrator shall use funds made available for fiscal year 2014 and subsequent fiscal years to carry out this title—

(A) to assess the types and quality of agricultural commodities and products donated for food aid;

(B) to adjust products and formulations, including potential introduction of new fortificants and products, as necessary to cost-effectively meet nutrient needs of target populations;

(C) to test prototypes;

(D) to adopt new specifications or improve existing specifications for micronutrient fortified food aid products, based on the latest developments in food and nutrition science, and in coordination with other international partners;

(E) to develop new program guidance to facilitate improved matching of products to purposes having nutritional intent, in coordination with other international partners;

(F) to develop improved guidance for implementing partners on how to address nutritional deficiencies that emerge among recipients for whom food assistance is the sole source of diet in emergency programs that extend beyond 1 year, in coordination with other international partners; and

(G) to evaluate, in appropriate settings and as necessary, the performance and cost-effectiveness of new or modified specialized food products and program approaches designed to meet the nutritional needs of the most vulnerable groups, such as pregnant and lactating mothers, and children under the age of 5.

(2) **ADMINISTRATION.**—The Administrator—

(A) shall carry out this subsection in consultation with and through independent entities with proven expertise in food aid commodity quality enhancements;

(B) may enter into contracts to obtain the services of such entities; and

(C) shall consult with the Food Aid Consultative Group on how to carry out this subsection.

(3) **FUNDING LIMITATION.**—Of the funds made available under section 207(f), for fiscal years 2014 through **[2018]** 2023, not more than \$4,500,000 may be used to carry out this subsection.

SEC. 203. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) **LOCAL SALE AND BARTER OF COMMODITIES.**—An agreement entered into between the Administrator and a private voluntary organization or cooperative to provide food assistance through such

organization or cooperative under this title may provide for the sale or barter in 1 or more recipient countries, or 1 or more countries in the same region, of the commodities to be provided under such agreement *to generate proceeds to be used as provided in this section.*

[(b) MINIMUM LEVEL OF LOCAL SALES.—In carrying out agreements of the type referred to in subsection (a), the Administrator shall permit private voluntary organizations and cooperatives to sell, in 1 or more recipient countries, or in 1 or more countries in the same region, an amount of commodities equal to not less than 15 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate proceeds to be used as provided in this section.]

[(c)] (b) DESCRIPTION OF INTENDED USES.—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any proceeds that may be generated through the sale, in 1 or more recipient countries, or in 1 or more countries in the same region, of any commodities provided under an agreement entered into between the Administrator and the organization or cooperative.

[(d)] (c) USE.—Proceeds generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under a non-emergency food assistance agreement under this title may—

(1) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

(2) be used to implement income-generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within 1 or more recipient countries or within 1 or more countries in the same region; or

(3) be invested, and any interest earned on such investment may be used, for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.

SEC. 204. LEVELS OF ASSISTANCE.

(a) MINIMUM LEVELS.—

(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that for each of fiscal years 2008 through [2018] 2023 is not less than 2,500,000 metric tons.

(2) MINIMUM NON-EMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that for each of fiscal years 2008 through [2018] 2023 is not less than 1,875,000 metric tons.

(3) EXCEPTION.—The Administrator may waive the requirements of paragraphs (1) and (2) for any fiscal year if the Administrator determines that such quantities of commodities cannot be used effectively to carry out this title or in order to

meet an emergency. In making a waiver under this paragraph, the Administrator shall prepare and submit to the Committees on International Relations, Agriculture and Appropriations of the House of Representatives, and the Committees on Appropriations and Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver. No waiver shall be made before the beginning of the applicable fiscal year.

(b) USE OF VALUE-ADDED COMMODITIES.—

(1) MINIMUM LEVELS.—Except as provided in paragraph (2), in making agricultural commodities available under this title, the Administrator shall ensure that not less than 75 percent of the quantity of such commodities required to be distributed during each fiscal year under subsection (a)(2) be in the form of processed, fortified, or bagged commodities and that not less than 50 percent of the quantity of the bagged commodities that are whole grain commodities be bagged in the United States.

(2) WAIVER OF MINIMUM.—The Administrator may waive the requirement of paragraph (1) for any fiscal year in which the Administrator determines that the requirements of the programs established under this title will not be best served by the enforcement of such requirement under such paragraph.

SEC. 205. FOOD AID CONSULTATIVE GROUP.

(a) ESTABLISHMENT.—There is established a Food Aid Consultative Group (hereinafter referred to in this section as the “Group”) that shall meet regularly to review and address issues concerning the effectiveness of the regulations and procedures that govern food assistance programs established and implemented under this title, and the implementation of other provisions of this title that may involve eligible organizations described in section 202(d)(1).

(b) MEMBERSHIP.—The Group shall be composed of—

(1) the Administrator;

【(2) the Under Secretary of Agriculture for Farm and Foreign Agricultural Services;】

(2) *the Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs;*

(3) the Inspector General of the Agency for International Development;

(4) a representative of each private voluntary organization and cooperative participating in a program under this title, or receiving planning assistance funds from the Agency to establish programs under this title;

(5) representatives from African, Asian and Latin American indigenous non-governmental organizations determined appropriate by the Administrator;

(6) representatives from agricultural producer groups in the United States;

(7) representatives from the United States agricultural processing sector involved in providing agricultural commodities for programs under this Act; and

(8) representatives from the maritime transportation sector involved in transporting agricultural commodities overseas for programs under this Act.

(c) CHAIRPERSON.—The Administrator shall be the chairperson of the Group.

(d) CONSULTATIONS.—

(1) CONSULTATION IN ADVANCE OF ISSUANCE OF IMPLEMENTATION REGULATIONS, HANDBOOKS, AND GUIDELINES.—Not later than 45 days before a proposed regulation, handbook, or guideline implementing this title, or a proposed significant revision to a regulation, handbook, or guideline implementing this title, becomes final, the Administrator shall provide the proposal to the Group for review and comment. The Administrator shall consult and, when appropriate (but at least twice per year), meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to the issuance of such.

(2) CONSULTATION REGARDING FOOD AID QUALITY EFFORTS.—The Administrator shall seek input from and consult with the Group on the implementation of section 202(h).

(e) ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Group.

(f) TERMINATION.—The Group shall terminate on December 31, [2018] 2023.

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SEC. 207. ADMINISTRATION.

(a) PROPOSALS.—

(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

(2) TIMING.—Not later than 120 days after the date of receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall determine whether to accept the proposal.

(3) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial.

(b) NOTICE AND COMMENT.—Not later than 30 days prior to the issuance of a final guideline or annual policy guidance to carry out this title, the Administrator shall—

(1) provide notice of the existence of a proposed guideline or annual policy guidance, and that such guideline or annual policy guidance is available for review and comment, to eligible organizations that participate in programs under this title, and to other interested persons;

(2) make the proposed guideline or annual policy guidance available, on request, to the eligible organizations and other persons referred to in paragraph (1); and

(3) take any comments received into consideration prior to the issuance of the final guideline or annual policy guidance.

(c) REGULATIONS AND GUIDANCE.—

(1) IN GENERAL.—The Administrator shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of the program established under this title. Not later than 270 days after the date of the enactment of [the Agricultural Act of 2014] *the Agriculture and Nutrition Act of 2018*, the Administrator shall issue all regulations and revisions to agency

guidance necessary to implement the amendments made to this title by such Act.

(2) REQUIREMENTS.—The Administrator shall develop regulations and guidance with the intent of—

(A) simplifying procedures for participation in the programs established under this title;

(B) reducing paperwork requirements under such programs;

(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in the programs established under this title, taking into consideration the problems associated with carrying out programs in developing countries; and

(D) providing flexibility for carrying out programs under this title.

(d) TIMELY PROVISION OF COMMODITIES.—The Administrator, in consultation with the Secretary, shall develop procedures that ensure expedited processing of commodity call forwards in order to provide commodities overseas in a timely manner and to the extent feasible, according to planned delivery schedules.

(e) TIMELY APPROVAL.—The Administrator is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

(f) PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.—

(1) DUTIES OF ADMINISTRATOR.—The Administrator, in consultation with the Secretary, shall establish systems and carry out activities—

(A) to determine the need for assistance provided under this title; and

(B) to improve, monitor, and evaluate the effectiveness and efficiency of the assistance provided under this title to maximize the impact of the assistance.

(2) REQUIREMENTS OF SYSTEMS AND ACTIVITIES.—The systems and activities described in paragraph (1) shall include—

(A) program monitors in countries that receive assistance under this title;

(B) country and regional food aid impact evaluations;

(C) the identification and implementation of best practices for food aid programs;

(D) the evaluation of monetization programs;

(E) early warning assessments and systems to help prevent famines; and

(F) maintenance of information technology systems.

(3) CONTRACT AUTHORITY.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in carrying out administrative and management activities relating to each activity carried out by the Administrator under paragraph (1), the Administrator may enter into contracts with 1 or more individuals for personal service to be performed in recipient countries or neighboring countries.

(B) PROHIBITION.—An individual who enters into a contract with the Administrator under subparagraph (A) shall not be considered to be an employee of the Federal Govern-

ment for the purpose of any law (including regulations) administered by the Office of Personnel Management.

(C) **PERSONAL SERVICE.**—Subparagraph (A) does not limit the ability of the Administrator to enter into a contract with any individual for personal service under section 202(a).

(4) **FUNDING.**—

(A) **IN GENERAL.**—Subject to section 202(h)(3), in addition to other funds made available to the Administrator to carry out the monitoring of emergency food assistance, the Administrator may implement this subsection using up to **[\$17,000,000]** *1.5 percent* of the funds made available under this title for each of fiscal years **[2014 through 2018]** *2019 through 2023*, except for paragraph (2)(F), for which not more than \$500,000 shall be made available for each of the fiscal years 2014 through **[2018]** *2023*.

(B) **LIMITATIONS.**—

(i) **IN GENERAL.**—Subject to clause (ii), of the funds made available under subparagraph (A), for each of fiscal years 2009 through **[2018]** *2023*, not more than \$8,000,000 may be used by the Administrator to carry out paragraph (2)(E).

(ii) **CONDITION.**—No funds shall be made available under subparagraph (A), in accordance with clause (i), unless not less than \$8,000,000 is made available under **[chapter 1 of part I of]** the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) for such purposes for such fiscal year.

(g) **PROJECT REPORTING.**—

(1) **IN GENERAL.**—In submitting project reports to the Administrator, a private voluntary organization or cooperative shall provide a copy of the report in such form as is necessary for the report to be displayed for public use on the website of the United States Agency for International Development.

(2) **CONFIDENTIAL INFORMATION.**—An organization or cooperative described in paragraph (1) may omit any confidential information from the copy of the report submitted for public display under that paragraph.

SEC. 208. [ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.] INTERNATIONAL FOOD RELIEF PARTNERSHIP.

(a) **IN GENERAL.**—The Administrator may provide grants to—

(1) United States nonprofit organizations (described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of the Internal Revenue Code of 1986) for the preparation of shelf-stable prepackaged foods requested by eligible organizations and the establishment and maintenance of stockpiles of the foods in the United States; and

(2) private voluntary organizations and international organizations for the rapid transportation, delivery, and distribution of shelf-stable prepackaged foods described in paragraph (1) to needy individuals in foreign countries.

(b) **GRANTS FOR ESTABLISHMENT OF STOCKPILES.**—

(1) IN GENERAL.—Not more than 70 percent of the amount made available to carry out this section shall be used to provide grants under subsection (a)(1).

(2) PRIORITY.—In providing grants under subsection (a)(1), the Administrator shall provide a preference to a United States nonprofit organization that agrees to provide—

(A) non-Federal funds in an amount equal to 50 percent of the amount of funds received under a grant under subsection (a)(1);

(B) an in-kind contribution in an amount equal to that percentage; or

(C) a combination of such funds and an in-kind contribution,

for the preparation of shelf-stable prepackaged foods and the establishment and maintenance of stockpiles of the foods in the United States in accordance with subsection (a)(1).

(c) GRANTS FOR RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION.—Not less than 20 percent of the amount made available to carry out this section shall be used to provide grants under subsection (a)(2).

(d) ADMINISTRATION.—Not more than 10 percent of the amount made available to carry out this section may be used by the Administrator for the administration of grants under subsection (a).

(e) REGULATIONS OR GUIDELINES.—Not later than 180 days after the date of the enactment of this section, the Administrator, in consultation with the Secretary, shall issue such regulations or guidelines as the Administrator determines to be necessary to carry out this section, including regulations or guidelines that provide to United States nonprofit organizations eligible to receive grants under subsection (a)(1) guidance with respect to the requirements for qualified shelf-stable prepackaged foods and the quantity of the foods to be stockpiled by the organizations.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this section, in addition to amounts otherwise available to carry out this section, \$10,000,000 for each of fiscal years 2014 through [2018] 2023, to remain available until expended.

* * * * *

TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

* * * * *

SEC. 403. GENERAL PROVISIONS.

(a) PROHIBITION.—No agricultural commodity, *food procured outside of the United States, food voucher, or cash transfer for food*, shall be made available under this Act unless it is determined that—

(1) *in the case of the provision of an agricultural commodity*, adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and

(2) the distribution of the [commodity] *agricultural commodity or use of the food procured outside of the United States, food vouchers, or cash transfers for food* in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

(b) **IMPACT ON LOCAL FARMERS AND ECONOMY.**—The Secretary or the Administrator, as appropriate, shall ensure that the importation of United States agricultural commodities, *food procured outside of the United States, food vouchers, and cash transfers for food* and the use of local currencies for development purposes will not have a disruptive impact on the farmers or the local economy of the recipient country. The Secretary or the Administrator, as appropriate, shall seek information, as part of the regular proposal and submission process, from implementing agencies on the potential costs and benefits to the local economy [of sales of agricultural commodities] within the recipient country.

(c) **TRANSSHIPMENT.**—The Secretary or the Administrator, as appropriate, shall, under such terms and conditions as are determined to be appropriate, require commitments designed to prevent or restrict the resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities donated or purchased under this Act.

(d) **PRIVATE TRADE CHANNELS AND SMALL BUSINESS.**—Private trade channels shall be used under this Act to the maximum extent practicable in the United States and in the recipient countries with respect to—

- (1) sales from privately owned stocks;
- (2) sales from stocks owned by the Commodity Credit Corporation; and
- (3) donations.

Small businesses shall be provided adequate and fair opportunity to participate in such sales.

(e) **WORLD PRICES.**—

(1) **IN GENERAL.**—In carrying out this Act, reasonable precautions shall be taken to assure that sales or donations of agricultural commodities will not unduly disrupt world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.

(2) **SALE PRICE.**—Sales of agricultural commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the agricultural commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate.

(f) **PUBLICITY.**—Commitments shall be obtained from countries or private entities, as appropriate, receiving commodities under this Act that such countries or private entities will widely publicize, to the extent practicable, through the use of the public media and through other means, that such commodities are being provided through the friendship of the American people as food for peace.

(g) **PARTICIPATION OF PRIVATE SECTOR.**—The Secretary or the Administrator, as appropriate, shall encourage the private sector of the United States and private importers in developing countries to participate in the programs established under this Act.

(h) **SAFEGUARD USUAL MARKETINGS.**—In carrying out this Act, reasonable precautions shall be taken to safeguard the usual mar-

ketings of the United States and to avoid displacing any sales of the United States agricultural commodities that the Secretary or Administrator determines would otherwise be made.

(i) MILITARY DISTRIBUTION OF FOOD AID.—

(1) IN GENERAL.—The Secretary or the Administrator, as appropriate, shall attempt to ensure that agricultural commodities made available under this Act will be provided without regard to the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient or without regard to other extraneous factors.

(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary or the Administrator, as appropriate, shall not enter into an agreement under this Act to provide agricultural commodities if such agreement requires or permits the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Administrator, as appropriate, may authorize the handling or distribution of commodities by the military forces of a country in exceptional circumstances in which—

- (i) nonmilitary channels are not available for such handling or distribution;
- (ii) such action is consistent with the requirements of paragraph (1); and
- (iii) the Secretary or the Administrator, as appropriate, determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

(3) ENCOURAGEMENT OF SAFE PASSAGE.—When entering into agreements under this Act that involve areas within recipient countries that are experiencing protracted warfare or civil strife, the Secretary or the Administrator, as appropriate, shall, to the extent practicable, encourage all parties to the conflict to permit safe passage of the commodities and other relief supplies and to establish safe zones for medical and humanitarian treatment and evacuation of injured persons.

(j) VIOLATIONS OF HUMAN RIGHTS.—

(1) INELIGIBLE COUNTRIES.—The Secretary or the Administrator, as appropriate, shall not enter into any agreement under this Act to provide agricultural commodities, or to finance the sale of agricultural commodities, to the government of any country determined by the President to engage in a consistent pattern of gross violations of internationally recognized human rights, including—

- (A) the torture or cruel, inhuman, or degrading treatment or punishment of individuals;
- (B) the prolonged detention of individuals without charges;
- (C) the responsibility for causing the disappearance of individuals through the abduction and clandestine detention of such individuals; or

- (D) other flagrant denials of the right to life, liberty, and the security of persons.
- (2) WAIVER.—Paragraph (1) shall not prohibit the provision of assistance to such a country if the assistance is targeted to the most needy people in such country and is made available in such country through channels other than the government.
- (k) ABORTION PROHIBITION.—Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.
- (l) SALE PROCEDURE.—
- (1) IN GENERAL.—Subsections (b) and (h) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—
- (A) titles I and II;
- (B) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and
- (C) the Food for Progress Act of 1985 (7 U.S.C. 1736o).
- (2) CURRENCY.—A sale described in paragraph (1) may be made in United States dollars or other currencies.
- [(m) REPORT ON USE OF FUNDS.—
- [(1) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of the Agricultural Act of 2014, and annually thereafter, the Administrator shall submit to Congress a report that—
- [(A) specifies the amount of funds (including funds for administrative costs, indirect cost recovery, internal transportation, storage, and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act in the previous fiscal year;
- [(B) describes how those funds were used by the eligible organization;
- [(C) describes the actual rate of return for each commodity made available under this Act, including—
- [(i) factors that influenced the rate of return; and
- [(ii) for the commodity, the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Administrator determines to be necessary; and
- [(D) for each instance in which a commodity was made available under this Act at a rate of return less than 70 percent, describes the reasons for the rate of return realized.
- [(2) RATE OF RETURN DESCRIBED.—For purposes of applying paragraph (1)(C), the rate of return for a commodity shall be equal to the proportion that—
- [(A) the proceeds the implementing partners generate through monetization; bears to
- [(B) the cost to the Federal Government to procure and ship the commodity to a recipient country for monetization.]

* * * * *

SEC. 407. ADMINISTRATIVE PROVISIONS.**(a) TITLE I PROGRAMS.—**

(1) ACQUISITIONS.—The importing country or private entity that enters into an agreement under title I shall acquire the agricultural commodities to be financed under title I.

(2) INVITATION FOR BID.—No purchase of agricultural commodities from private stock or purchase of ocean transportation shall be financed under title I unless such purchases are made on the basis of an invitation for bid that is publicly advertised in the United States, and on the basis of bid offerings that shall conform to such invitation and be received and publicly opened in the United States. All awards in the purchase of commodities or ocean transportation financed under title I shall be consistent with open, competitive, and responsive bid procedures, as determined appropriate by the Secretary. Resulting contracts may contain such terms and conditions as the Secretary determines are necessary and appropriate.

(b) AGENTS.—**(1) AUTHORITY OF THE SECRETARY OR COMMODITY CREDIT CORPORATION.—**

(A) GENERAL RULE.—Except as provided in subparagraph (B), if it is determined appropriate, the Secretary or the Commodity Credit Corporation may serve as the purchasing or shipping agent, or both, for the importer or importing country in arranging the purchase or shipping of commodities financed under title I.

(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Commodity Credit Corporation may award, under a competitive bidding process, contracts for establishing freight agents who shall act on behalf of the Secretary or the Corporation to handle the shipping of commodities financed under this Act.

(C) AVOIDANCE OF CONFLICT OF INTEREST OF CONTRACTORS.—Freight agents employed by the Secretary or the Commodity Credit Corporation under title I shall not represent any foreign government during the period of their contract with the United States Government.

(2) REASONABLE FEES AND COMMISSIONS.—

(A) FEES.—Notwithstanding any other provision of law, the Secretary or the Commodity Credit Corporation may enter into an agreement with the importer or importing country that contains the terms and conditions that will govern the provision of purchasing or shipping agent services by the Secretary or the Corporation, including the establishment of fees for such services. Any such fees shall be fair and reasonable in relation to the services performed and shall be available as reimbursement for costs incurred in providing such services.

(B) PROHIBITION ON COMMISSIONS.—Commissions, fees, or other payments to any selling agent or to any agent of a purchaser shall be prohibited in the purchase of agricultural commodities that are financed under title I of this Act.

(3) LIMITATIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the im-

porter or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under title I of this Act may—

(A) be paid in excess of an amount determined appropriate by the Secretary; and

(B) be shared by such person with the importer or importing country or any agent thereof.

(4) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person provides or acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or ocean transportation-related services for such commodities. For the purpose of this paragraph, the term “transportation-related services” means lightening, stevedoring, bagging, or inland transportation to the destination point.

(c) TITLE II AND III PROGRAM.—

(1) ACQUISITION.—

(A) IN GENERAL.—The Administrator shall transfer, arrange for the transportation, and take other steps necessary to make available agricultural commodities to be provided under title II and title III.

(B) CERTAIN COMMODITIES MADE AVAILABLE FOR NON-EMERGENCY ASSISTANCE.—In the case of agricultural commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the agricultural commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

(2) FREIGHT PROCUREMENT.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or other similar provisions of law relating to the making or performance of Federal Government contracts, ocean transportation under titles II and III may be procured on the basis of full and open competitive procedures. Resulting contracts may contain such terms and conditions as the Administrator determines are necessary and appropriate.

(3) AVOIDANCE OF CONFLICT OF INTEREST.—Freight agents employed by the Agency for International Development under titles II and III shall not represent any foreign government during the period of their contract with the United States Government.

(4) PREPOSITIONING.—

(A) IN GENERAL.—Funds made available for fiscal years 2001 through [2018] 2023 to carry out titles II and III may be used by the Administrator to procure, transport, and store agricultural commodities for prepositioning within the United States and in foreign countries, except that for each of fiscal years 2001 through 2013 not more than

\$10,000,000 of such funds and for each of fiscal years 2014 through ~~2018~~ 2023 not more than \$15,000,000 of such funds may be used to store agricultural commodities for prepositioning in foreign countries.

(B) ADDITIONAL PREPOSITIONING SITES.—The Administrator may establish additional sites for prepositioning in foreign countries or change the location of current sites for prepositioning in foreign countries after conducting, and based on the results of, assessments of need, the availability of appropriate technology for long-term storage, feasibility, and cost.

(5) NONEMERGENCY OR MULTIYEAR AGREEMENTS.—Annual resource requests for ongoing nonemergency or ongoing multiyear agreements under title II shall be finalized not later than October 1 of the fiscal year in which the agricultural commodities will be shipped under the agreement.

(d) TIMING OF SHIPMENTS.—In determining the timing of the shipment of agricultural commodities to be provided under this Act, the Secretary or the Administrator, as appropriate, shall consider—

(1) the time of harvest of any competing commodities in the recipient country; and

(2) such other concerns determined to be appropriate.

(e) DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.—An agreement under titles I and III shall, to the extent practicable, be entered into not later than—

(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement; or

(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.

(f) ANNUAL REPORTS.—

(1) ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.—

(A) ANNUAL REPORT.—Not later than April 1 of each fiscal year, the Administrator and the Secretary shall jointly prepare and submit to the appropriate committees of Congress a report regarding each program and activity carried out under this Act during the prior fiscal year.

(B) CONTENTS.—An annual report described in subparagraph (A) shall include, with respect to the prior fiscal year—

(i) a list that contains a description of each country and organization that receives food and other assistance under this Act (including the quantity of food and assistance provided to each country and organization);

(ii) a general description of each project and activity implemented under this Act (including each activity funded through the use of local currencies) and the total number of beneficiaries of the project and the activities carried out through such project;

(iii) a statement describing the quantity of agricultural commodities made available to, and the total number of beneficiaries in, each country pursuant to—

[(I) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b));

[(II) the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

[(III) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1);

[(iv) an assessment of the progress made through programs under this Act towards reducing food insecurity in the populations receiving food assistance from the United States;

[(v) a description of efforts undertaken by the Food Aid Consultative Group under section 205 to achieve an integrated and effective food assistance program;

[(vi) an assessment of—

[(I) each program oversight, monitoring, and evaluation system implemented under section 207(f); and

[(II) the impact of each program oversight, monitoring, and evaluation system on the effectiveness and efficiency of assistance provided under this title; and

[(vii) an assessment of the progress made by the Administrator in addressing issues relating to quality with respect to the provision of food assistance.

[(2) ANNUAL REPORT REGARDING THE PROVISION OF AGRICULTURAL COMMODITIES TO FOREIGN COUNTRIES.—

[(A) ANNUAL REPORT.—Not later than February 1 of each fiscal year, the Administrator shall prepare and submit to the appropriate committees of Congress a report regarding the administration of food assistance programs under title II to benefit foreign countries during the prior fiscal year.

[(B) CONTENTS.—An annual report described in subparagraph (A) shall include, with respect to the prior fiscal year—

[(i) a list that contains a description of each program, country, and commodity approved for assistance under section 207; and

[(ii) a statement that contains a description of the total amount of funds approved for transportation and administrative costs under section 207.]

(f) ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.—

(1) IN GENERAL.—Not later than April 1 of each fiscal year, the Administrator and the Secretary shall prepare, either jointly or separately, a report regarding each program and activity carried out under this Act during the prior fiscal year. If the report for a fiscal year will not be submitted to the appropriate committees of Congress by the date specified in this subparagraph, the Administrator and the Secretary shall promptly notify such committees about the delay, including the reasons for the delay, the steps being taken to complete the report, and an estimated submission date.

(2) *CONTENTS.*—An annual report described in paragraph (1) shall include, with respect to the prior fiscal year, the following:

(A) A list that contains a description of each country and organization that receives food and other assistance under this Act (including the quantity of food and assistance provided to each country and organization).

(B) A general description of each project and activity implemented under this Act (including each activity funded through the use of local currencies) and the total number of beneficiaries of the project.

(C) A statement describing the quantity of agricultural commodities made available to, and the total number of beneficiaries in, each country pursuant to—

(i) this Act;

(ii) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b));

(iii) the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

(iv) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1).

(D) An assessment of the progress made through programs under this Act towards reducing food insecurity in the populations receiving food assistance from the United States.

(E) A description of efforts undertaken by the Food Aid Consultative Group under section 205 to achieve an integrated and effective food assistance program.

(F) An assessment of—

(i) each program oversight, monitoring, and evaluation system implemented under section 207(f); and

(ii) the impact of each program oversight, monitoring, and evaluation system on the effectiveness and efficiency of assistance provided under this title.

(G) An assessment of the progress made by the Administrator in addressing issues relating to quality with respect to the provision of food assistance.

(H) A statement of the amount of funds (including funds for administrative costs, indirect cost recovery, internal transportation, storage and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act, that further describes the following:

(i) How such funds were used by the eligible organization.

(ii) The actual rate of return for each commodity made available under this Act, including factors that influenced the rate of return, and, for the commodity, the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Administrator and the Secretary determine to be necessary.

(iii) For each instance in which a commodity was made available under this Act at a rate of return less than 70 percent, the reasons for the rate of return realized.

(I) For funds expended for the purposes of section 202(e), 406(b)(6), and 407(c)(1)(B), a detailed accounting of the expenditures and purposes of such expenditures with respect to each section.

(3) RATE OF RETURN DESCRIBED.—For purposes of applying subparagraph (H), the rate of return for a commodity shall be equal to the proportion that—

(A) the proceeds the implementing partners generate through monetization; bears to

(B) the cost to the Federal Government to procure and ship the commodity to a recipient country for monetization.

SEC. 408. EXPIRATION DATE.

No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, [2018] 2023.

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SEC. 412. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) for fiscal year 2008 and each fiscal year thereafter, \$2,500,000,000 to carry out the emergency and nonemergency food assistance programs under title II; and

(2) such sums as are necessary—

(A) to carry out the concessional credit sales program established under title I;

(B) to carry out the grant program established under title III; and

(C) to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by the Commodity Credit Corporation in carrying out such programs.

(b) TRANSFER OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the President may direct that up to 15 percent of the funds available for any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.

(2) TITLE III FUNDS.—The President may direct that up to 50 percent of the funds available for any fiscal year for carrying out title III be used to carry out title II.

(c) BUDGET.—In presenting the Budget of the United States, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.

(d) VALUE OF COMMODITIES.—Notwithstanding any other provision of law, in determining the reimbursement due the Commodity Credit Corporation for all expenses incurred under this Act, commodities from the inventory of the Commodity Credit Corporation that were acquired under dairy price support operations shall be

valued at a price not greater than the export market price for such commodities, as determined by the Secretary, as of the time such commodity is made available under this Act.

[(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—

[(1) IN GENERAL.—Subject to paragraph (2), of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, not less than 20 nor more than 30 percent for each of fiscal years 2014 through 2018 shall be expended for nonemergency food assistance programs under title II.

[(2) MINIMUM LEVEL.—The amount made available to carry out nonemergency food assistance programs under title II shall not be less than \$350,000,000 for any fiscal year.]

(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—

(1) IN GENERAL.—For each of fiscal years 2019 through 2023, not less than \$365,000,000 of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, nor more than 30 percent of such amounts, shall be expended for nonemergency food assistance programs under such title.

(2) COMMUNITY DEVELOPMENT FUNDS.—Funds appropriated each year to carry out part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) that are made available through grants or cooperative agreements to strengthen food security in developing countries and that are consistent with section 202(e)(1)(C) may be deemed to be expended on nonemergency food assistance programs for purposes of this section.

* * * * *

SEC. 415. MICRONUTRIENT FORTIFICATION PROGRAMS.

(a) IN GENERAL.—

(1) PROGRAMS.—Not later than September 30, 2008, the Administrator, in consultation with the Secretary, shall establish micronutrient fortification programs.

(2) PURPOSE.—The purpose of a program shall be to—

(A) assist developing countries in correcting micronutrient dietary deficiencies among segments of the populations of the countries; and

(B) assess and apply technologies and systems to improve and ensure the quality, shelf life, bioavailability, and safety of fortified food aid agricultural commodities, and products of those agricultural commodities.

(b) FORTIFICATION.—Under a program, grains and other commodities made available to a developing country selected to participate in a program may be fortified with 1 or more micronutrients (such as vitamin A, iron, iodine, and folic acid) with respect to which a substantial portion of the population in the country is deficient. The commodity may be fortified in the United States or in the developing country.

(c) TERMINATION OF AUTHORITY.—The authority to carry out programs established under this section shall terminate on September 30, [2018] 2023.

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TITLE V—FARMER-TO-FARMER PROGRAM

SEC. 501. JOHN OGWONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.

(a) DEFINITIONS.—In this section:

(1) CARIBBEAN BASIN COUNTRY.—The term “Caribbean Basin country” means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(2) EMERGING MARKET.—The term “emerging market” means a country that the Secretary determines—

(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(B) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.

(3) MIDDLE INCOME COUNTRY.—The term “middle income country” means a country that has developed economically to the point at which the country does not receive bilateral development assistance from the United States.

(4) SUB-SAHARAN AFRICAN COUNTRY.—The term “sub-Saharan African country” has the meaning given the term in section 107 of the Trade and Development Act of 2000 (19 U.S.C. 3706).

(b) PROVISION.—Notwithstanding any other provision of law, to further assist developing countries, middle-income countries, emerging markets, sub-Saharan African countries, and Caribbean Basin countries to increase farm production and farmer incomes, the President may—

(1) establish and administer a program, to be known as the “John Ogonowski and Doug Bereuter Farmer-to-Farmer Program”, of farmer-to-farmer *technical* assistance between the United States and such countries to assist in—

(A) increasing food production and distribution; and

(B) improving the effectiveness of the farming and marketing operations of agricultural producers in those countries;

(2) use United States agricultural producers, agriculturalists, colleges and universities (including historically black colleges and universities, land grant colleges or universities, and foundations maintained by colleges or universities), private agribusinesses, private organizations (including grassroots organizations with an established and demonstrated capacity to carry out such a bilateral exchange program), private corporations, *retired extension staff of the Department of Agriculture*, and nonprofit farm organizations to work in conjunction with agricultural producers and farm organizations in those countries, on a voluntary basis—

(A) to improve agricultural and agribusiness operations and agricultural systems in those countries, including improving—

(i) animal care and health;

- (ii) field crop cultivation;
- (iii) fruit and vegetable growing;
- (iv) livestock operations;
- (v) food processing and packaging;
- (vi) farm credit;
- (vii) marketing;
- (viii) inputs; and
- (ix) agricultural extension; and

(B) to strengthen cooperatives and other agricultural groups in those countries;

(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on an individual basis, to those countries while enhancing the democratic process by supporting private and public agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

(4) to the maximum extent practicable, make grants to or enter into contracts or other cooperative agreements with private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available under subsection (d) or has otherwise been provided in advance in appropriation Acts);

(5) coordinate programs established under this section with other foreign assistance programs and activities carried out by the United States; **[and]**

(6) foster appropriate investments in institutional capacity-building and allow longer-term and sequenced assignments and partnerships to provide deeper engagement and greater continuity on such projects; and

[(6)] (7) to the extent that local currencies can be used to meet the costs of a program established under this section, augment funds of the United States that are available for such a program through the use, within the country in which the program is being conducted, of—

(A) foreign currencies that accrue from the sale of agricultural commodities and products under this Act; and

(B) local currencies generated from other types of foreign assistance activities.

(c) SPECIAL EMPHASIS ON SUB-SAHARAN AFRICAN AND CARIBBEAN BASIN COUNTRIES.—

(1) FINDINGS.—Congress finds that—

(A) agricultural producers in sub-Saharan African and Caribbean Basin countries need training in agricultural techniques that are appropriate for the majority of eligible agricultural producers in those countries, including training in—

(i) standard growing practices;

(ii) insecticide and sanitation procedures; and

(iii) other agricultural methods that will produce increased yields of more nutritious and healthful crops;

(B) agricultural producers in the United States (including African-American agricultural producers) and banking

and insurance professionals have agribusiness expertise that would be invaluable for agricultural producers in sub-Saharan African and Caribbean Basin countries;

(C) a commitment by the United States is appropriate to support the development of a comprehensive agricultural skills training program for those agricultural producers that focuses on—

(i) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(ii) teaching modern agricultural techniques that would facilitate a continual analysis of crop production, including—

(I) the identification and development of standard growing practices; and

(II) the establishment of systems for record-keeping;

(iii) the use and maintenance of agricultural equipment that is appropriate for the majority of eligible agricultural producers in sub-Saharan African or Caribbean Basin countries;

(iv) the expansion of small agricultural operations into agribusiness enterprises by increasing access to credit for agricultural producers through—

(I) the development and use of village banking systems; and

(II) the use of agricultural risk insurance pilot products; and

(v) marketing crop yields to prospective purchasers (including businesses and individuals) for local needs and export; and

(D) programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign agricultural producers have been effective in promoting improved agricultural techniques and food security and the extension of additional resources to such farmer-to-farmer exchanges is warranted.

(2) GOALS FOR PROGRAMS CARRIED OUT IN SUB-SAHARAN AFRICAN AND CARIBBEAN COUNTRIES.—The goals of programs carried out under this section in sub-Saharan African and Caribbean Basin countries shall be—

(A) to expand small agricultural operations in those countries into agribusiness enterprises by increasing access to credit for agricultural producers through—

(i) the development and use of village banking systems; and

(ii) the use of agricultural risk insurance pilot products;

(B) to provide training to agricultural producers in those countries that will—

(i) enhance local food security; and

(ii) help mitigate and alleviate hunger;

(C) to provide training to agricultural producers in those countries in groups to encourage participants to share and pass on to other agricultural producers in the home communities of the participants, the information and skills ob-

tained from the training, rather than merely retaining the information and skills for the personal enrichment of the participants; and

(D) to maximize the number of beneficiaries of the programs in sub-Saharan African and Caribbean Basin countries.

[(d) MINIMUM FUNDING.—Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than the greater of \$10,000,000 or 0.5 percent of the amounts made available for each of fiscal years 2008 through 2013, and not less than the greater of \$15,000,000 or 0.6 percent of the amounts made available for each of fiscal years 2014 through 2018, to carry out this Act shall be used to carry out programs under this section, with—

[(1) not less than 0.2 percent to be used for programs in developing countries; and

[(2) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.]

(d) MINIMUM FUNDING.—

(1) IN GENERAL.—*Notwithstanding any other provision of law, in addition to any funds that may be specifically appropriated to carry out this section, not less than the greater of \$15,000,000 or 0.6 percent of the amounts made available for each of fiscal years 2014 through 2023, to carry out this Act shall be used to carry out programs under this section, of which—*

(A) not less than 0.2 percent to be used for programs in developing countries; and

(B) not less than 0.1 percent to be used for programs in sub-Saharan African and Caribbean Basin countries.

(2) TREATMENT OF EXPENDITURES.—*Funds used to carry out programs under this section shall be counted towards the minimum level of nonemergency food assistance specified in section 412(e).*

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated for each of fiscal years 2008 through [2018] 2023 to carry out the programs under this section—

(A) \$10,000,000 for sub-Saharan African and Caribbean Basin countries; and

(B) \$5,000,000 for other developing or middle-income countries or emerging markets not described in subparagraph (A).

(2) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds made available for a fiscal year under paragraph (1) may be used to pay administrative costs incurred in carrying out programs in sub-Saharan African and Caribbean Basin countries.

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AGRICULTURAL TRADE ACT OF 1978

* * * * *

TITLE II—AGRICULTURAL EXPORT PROGRAMS

Subtitle A—Programs

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SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

(a) **SHORT-TERM CREDIT GUARANTEES.**—The Commodity Credit Corporation may guarantee the repayment of credit made available to finance commercial export sales of agricultural commodities, including processed agricultural products and high-value agricultural products, from privately owned stocks on credit terms that do not exceed a 24-month period.

(b) **PURPOSE OF PROGRAM.**—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

- (1) to increase exports of agricultural commodities;
- (2) to compete against foreign agricultural exports;
- (3) to assist countries in meeting their food and fiber needs, particularly—

(A) developing countries; and

(B) countries that are emerging markets that have committed to carry out, or are carrying out, policies that promote economic freedom, private domestic production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of agricultural commodities; and

- (4) for such other purposes as the Secretary determines appropriate.

(c) **RESTRICTIONS ON USE OF CREDIT GUARANTEES.**—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

(d) **RESTRICTIONS.**—The Commodity Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any obligor that the Secretary determines cannot adequately service the debt associated with such sale.

(e) **TERMS.**—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

(f) **UNITED STATES AGRICULTURAL COMMODITIES.**—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities.

(g) **INELIGIBILITY OF FINANCIAL INSTITUTIONS.**—

(1) **IN GENERAL.**—A financial institution shall be ineligible to receive an assignment of a credit guarantee issued by the Commodity Credit Corporation under this section if it is determined by the Corporation, at the time of the assignment, that such financial institution—

(A) is the financial institution issuing the letter of credit or a subsidiary of such institution; or

(B) is owned or controlled by an entity that owns or controls that financial institution issuing the letter of credit.

(2) **THIRD COUNTRY BANKS.**—The Commodity Credit Corporation may guarantee under subsection (a) the repayment of credit made available to finance an export sale irrespective of whether the obligor is located in the country to which the export sale is destined.

(h) **CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.**—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

(i) **CONSULTATION ON AGRICULTURAL EXPORT CREDIT PROGRAMS.**—The Secretary and the United States Trade Representative shall consult on a regular basis with the Committee on Agriculture, and the Committee on International Relations, of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of multilateral negotiations regarding agricultural export credit programs.

(j) **ADMINISTRATION.**—

(1) **DEFINITION OF LONG TERM.**—In this subsection, the term “long term” means a period of 10 or more years.

(2) **GUARANTEES.**—In administering the export credit guarantees authorized under this section, the Secretary shall—

(A) develop an approach to risk evaluation that facilitates accurate country risk designations and timely adjustments to the designations (on an ongoing basis) in response to material changes in country risk conditions, with ongoing opportunity for input and evaluation from the private sector;

(B) adjust risk-based guarantees as necessary to ensure program effectiveness and United States competitiveness;

(C) work with industry to ensure, to the maximum extent practicable, that risk-based fees associated with the guarantees cover the operating costs and losses over the long term; and

(D) notwithstanding any other provision of this section, administer and carry out (only after consulting with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate) the program pursuant to such terms as may be agreed between the parties to address the World Trade Organization dispute WTO/DS267 to the extent not superseded by any applicable international undertakings on officially supported export credits to which the United States is a party.

(k) **COMBINATION OF PROGRAMS.**—*The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under this section are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of United States agricultural commodities.*

[SEC. 203. MARKET ACCESS PROGRAM.

[(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development,

maintenance, and expansion of commercial export markets for agricultural commodities (including commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502))) through cost-share assistance to eligible trade organizations that implement a foreign market development program.

[(b) TYPE OF ASSISTANCE.—Assistance under this section may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

[(c) REQUIREMENTS FOR PARTICIPATION.—To be eligible for cost-share assistance under this section, an organization shall—

[(1) be an eligible trade organization;

[(2) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

[(3) meet any other requirements established by the Secretary.

[(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

[(1) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

[(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

[(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

[(e) APPROVED MARKETING PLAN.—

[(1) IN GENERAL—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

[(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

[(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

[(B) establish specific market goals to be achieved as a result of the market access program; and

[(C) contain whatever additional requirements are determined by the Secretary to be necessary.

[(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

[(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

[(f) OTHER TERMS AND CONDITIONS.—

[(1) MULTI-YEAR BASIS.—The Secretary may provide assistance under this section on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

[(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

[(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

[(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the market access program;

[(C) the eligible trade organization is not adequately contributing its own resources to the market access program; or

[(D) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.

[(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

[(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

[(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

[(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

[(4) USE OF FUNDS.—Funds made available to carry out this section—

[(A) shall not be used to provide direct assistance to any foreign for-profit corporation for the corporation's use in promoting foreign-produced products;

[(B) shall not be used to provide direct assistance to any for-profit corporation that is not recognized as a small-business concern described in section 3(a) of the Small Business Act (15 U.S.C. 632(a)), excluding—

[(i) a cooperative;

[(ii) an association described in the first section of the Act entitled "An Act To authorize association of producers of agricultural products", approved February 18, 1922 (7 U.S.C. 291); and

[(iii) a nonprofit trade association; and

[(C) may be used by a United States trade association, cooperative, or small business for individual branded promotional activity related to a United States branded product, if the beneficiaries of the activity have provided funds for the activity in an amount that is at least equivalent to the amount of assistance provided under this section.

[(g) LEVEL OF MARKETING ASSISTANCE.—

[(1) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program under this section and the level of cost-sharing required of such organization.

[(2) LIMITATION.—Assistance provided under this section for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974. Criteria for determining that the limitation shall not apply shall be consistent and documented.

[(3) STAGED REDUCTION IN ASSISTANCE.—In the case of participants that received assistance under section 1124 of the Food Security Act of 1985 prior to November 28, 1990, and with respect to which assistance under this section would be limited under paragraph (2), any such reduction in assistance shall be phased down in equal increments over a 5-year period.]

* * * * *

[SEC. 205. COMBINATION OF PROGRAMS.

[The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under section 202 are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of agricultural commodities.]

SEC. 205. INTERNATIONAL MARKET DEVELOPMENT PROGRAM.

(a) *PROGRAM REQUIRED.*—*The Secretary and the Commodity Credit Corporation shall establish and carry out a program, to be known as the “International Market Development Program”, to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities.*

(b) *MARKET ACCESS PROGRAM COMPONENT.*—

(1) *IN GENERAL.*—*As one of the components of the International Market Development Program, the Commodity Credit Corporation shall carry out a program to encourage the development, maintenance, and expansion of commercial export markets for United States agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.*

(2) *TYPES OF ASSISTANCE.*—*Assistance under this subsection may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.*

(3) *PARTICIPATION REQUIREMENTS.*—

(A) *MARKETING PLAN AND OTHER REQUIREMENTS.*—*To be eligible for cost-share assistance under this subsection, an eligible trade organization shall—*

(i) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such a marketing plan specified in this paragraph or otherwise established by the Secretary;

(ii) meet any other requirements established by the Secretary; and

(iii) enter into an agreement with the Secretary.

(B) *PURPOSE OF MARKETING PLAN.*—A marketing plan submitted under this paragraph shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this subsection is being requested.

(C) *SPECIFIC ELEMENTS.*—To be approved by the Secretary, a marketing plan submitted under this paragraph shall—

(i) specifically describe the manner in which assistance received by the eligible trade organization, in conjunction with funds and services provided by the eligible trade organization, will be expended in implementing the marketing plan;

(ii) establish specific market goals to be achieved under the marketing plan; and

(iii) contain whatever additional requirements are determined by the Secretary to be necessary.

(D) *BRANDED PROMOTION.*—A marketing plan approved by the Secretary may provide for the use of branded advertising to promote the sale of United States agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

(E) *AMENDMENTS.*—An approved marketing plan may be amended by the eligible trade organization at any time, subject to the approval by the Secretary of the amendments.

(4) *LEVEL OF ASSISTANCE AND COST-SHARE REQUIREMENTS.*—

(A) *IN GENERAL.*—The Secretary shall justify in writing the level of assistance to be provided to an eligible trade organization under this subsection and the level of cost sharing required of the organization.

(B) *LIMITATION ON BRANDED PROMOTION.*—Assistance provided under this subsection for activities described in paragraph (3)(D) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of United States agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974 (19 U.S.C. 2411). Criteria used by the Secretary for determining that the limitation shall not apply shall be consistent and documented.

(5) *OTHER TERMS AND CONDITIONS.*—

(A) *MULTI-YEAR BASIS.*—The Secretary may provide assistance under this subsection on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

(B) *TERMINATION OF ASSISTANCE.*—The Secretary may terminate any assistance made, or to be made, available under this subsection if the Secretary determines that—

(i) the eligible trade organization is not adhering to the terms and conditions applicable to the provision of the assistance;

(ii) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the plan;

(iii) the eligible trade organization is not adequately contributing its own resources to the implementation of the plan; or

(iv) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.

(C) *EVALUATIONS.*—Beginning not later than 15 months after the initial provision of assistance under this subsection to an eligible trade organization, the Secretary shall monitor the expenditures by the eligible trade organization of such assistance, including the following:

(i) An evaluation of the effectiveness of the marketing plan of the eligible trade organization in developing or maintaining markets for United States agricultural commodities.

(ii) An evaluation of whether assistance provided under this subsection is necessary to maintain such markets.

(iii) A thorough accounting of the expenditure by the eligible trade organization of the assistance provided under this subsection.

(6) *RESTRICTIONS ON USE OF FUNDS.*—Assistance provided under this subsection to an eligible trade organization shall not be used—

(A) to provide direct assistance to any foreign for-profit corporation for the corporation's use in promoting foreign-produced products; or

(B) to provide direct assistance to any for-profit corporation that is not recognized as a small business concern, excluding a cooperative, an association described in the first section of the Act entitled "An Act To authorize association of producers of agricultural products", approved February 18, 1922 (7 U.S.C. 291), or a nonprofit trade association.

(7) *PERMISSIVE USE OF FUNDS.*—Assistance provided under this subsection to a United States agricultural trade association, cooperative, or small business may be used for individual branded promotional activity related to a United States branded product, if the beneficiaries of the activity have provided funds for the activity in an amount that is at least equivalent to the amount of assistance provided under this subsection.

(8) *PROGRAM CONSIDERATIONS AND PRIORITIES.*—In providing assistance under this subsection, the Secretary, to the maximum extent practicable, shall—

(A) give equal consideration to—

(i) proposals submitted by organizations that were participating organizations in prior fiscal years; and

(ii) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title;

- (B) give equal consideration to—
- (i) proposals submitted for activities in emerging markets; and
 - (ii) proposals submitted for activities in markets other than emerging markets.
- (9) PRIORITY.—In providing assistance for branded promotion, the Secretary should give priority to small-sized entities.
- (10) CONTRIBUTION LEVEL.—
- (A) IN GENERAL.—The Secretary should require a minimum contribution level of 10 percent from an eligible trade organization that receives assistance for nonbranded promotion.
 - (B) INCREASES IN CONTRIBUTION LEVEL.—The Secretary may increase the contribution level in any subsequent year that an eligible trade organization receives assistance for nonbranded promotion.
- (11) ADDITIONALITY.—The Secretary should require each participant in the program to certify that any Federal funds received supplement, but do not supplant, private or third party participant funds or other contributions to program activities.
- (12) INDEPENDENT AUDITS.—If as a result of an evaluation or audit of activities of a participant under the program, the Secretary determines that a further review is justified in order to ensure compliance with the requirements of the program, the Secretary should require the participant to contract for an independent audit of the program activities, including activities of any subcontractor.
- (13) TOBACCO.—No funds made available under the market promotion program may be used for activities to develop, maintain, or expand foreign markets for tobacco.
- (c) FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.—
- (1) IN GENERAL.—As one of the components of the International Market Development Program, the Secretary shall carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities.
 - (2) COOPERATION.—The Secretary shall carry out the foreign market development cooperator program in cooperation with eligible trade organizations.
 - (3) ADMINISTRATION.—Funds made available to carry out the foreign market development cooperator program shall be used only to provide—
 - (A) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and
 - (B) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.
 - (4) PROGRAM CONSIDERATIONS.—In providing assistance under this subsection, the Secretary, to the maximum extent practicable, shall—
 - (A) give equal consideration to—
 - (i) proposals submitted by eligible trade organizations that were participating organizations in the for-

eign market development cooperator program in prior fiscal years; and

(ii) proposals submitted by eligible trade organizations that have not previously participated in the foreign market development cooperator program; and

(B) give equal consideration to—

(i) proposals submitted for activities in emerging markets; and

(ii) proposals submitted for activities in markets other than emerging markets.

(d) **TECHNICAL ASSISTANCE FOR SPECIALTY CROPS COMPONENT.**—

(1) **IN GENERAL.**—As one of the components of the International Market Development Program, the Secretary shall carry out an export assistance program to address existing or potential barriers that prohibit or threaten the export of United States specialty crops.

(2) **PURPOSE.**—The export assistance program required by this subsection shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate existing or potential sanitary and phytosanitary and technical barriers to trade.

(3) **PRIORITY.**—The export assistance program required by this subsection shall address time sensitive and strategic market access projects based on—

(A) trade effect on market retention, market access, and market expansion; and

(B) trade impact.

(4) **ANNUAL REPORT.**—The Secretary shall submit to the appropriate committees of Congress an annual report that contains, for the period covered by the report, a description of each factor that affects the export of specialty crops, including each factor relating to any significant sanitary or phytosanitary issue or trade barrier.

(e) **E. (KICA) DE LA GARZA EMERGING MARKETS PROGRAM COMPONENT.**—

(1) **IN GENERAL.**—

(A) **ESTABLISHMENT OF PROGRAM.**—The Secretary, in order to develop, maintain, or expand export markets for United States agricultural commodities, is directed—

(i) to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such emerging markets;

(ii) to make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers; and

(iii) to identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

(B) **EXTENT OF PROGRAM.**—The Secretary shall implement this paragraph with respect to at least 3 emerging markets in each fiscal year.

(2) **IMPLEMENTATION OF PROGRAM.**—The Secretary may implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants, farmers, other persons from the private sector and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in such paragraph in emerging markets; and

(B) by providing for necessary subsistence and transportation expenses of—

(i) United States food and rural business system experts, including United States agricultural producers and other United States individuals knowledgeable in agricultural and agribusiness matters, to enable such United States food and rural business system experts to assist in transferring knowledge and expertise to entities in emerging markets; and

(ii) individuals designated by emerging markets to enable such designated individuals to consult with such United States experts to enhance food and rural business systems of such emerging markets and to transfer knowledge and expertise to such emerging markets.

(3) *COST-SHARING.*—The Secretary shall encourage the non-governmental experts described in paragraph (2) to share the costs of, and otherwise assist in, the participation of such experts in the program under this paragraph.

(4) *TECHNICAL ASSISTANCE.*—The Secretary is authorized to provide, or pay the necessary costs for, technical assistance (including the establishment of extension services) necessary to enhance the effectiveness of food and rural business systems needs of emerging markets, including potential reductions in trade barriers.

(5) *REPORTS TO SECRETARY.*—A team that receives assistance under paragraph (2) shall prepare such reports with respect to the use of such assistance as the Secretary may require.

(f) *DEFINITIONS.*—In this section:

(1) *ELIGIBLE TRADE ORGANIZATION.*—

(A) *MARKET ACCESS PROGRAM COMPONENT.*—In subsection (b), the term “eligible trade organization” means—

(i) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of United States agricultural commodities and that does not stand to profit directly from specific sales of United States agricultural commodities;

(ii) a cooperative organization or State agency that promotes the sale of United States agricultural commodities; or

(iii) a private organization that promotes the export and sale of United States agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

(B) *FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.*—In subsection (c), the term “eligible trade organization” means a United States trade organization that—

(i) promotes the export of one or more United States agricultural commodities; and

(ii) does not have a business interest in or receive remuneration from specific sales of United States agricultural commodities.

(2) *EMERGING MARKET.*—The term “emerging market” means any country that the Secretary determines—

(A) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(B) has the potential to provide a viable and significant market for United States agricultural commodities.

(3) *SMALL-BUSINESS CONCERN.*—The term “small-business concern” has the meaning given that term in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(4) *UNITED STATES AGRICULTURAL COMMODITY.*—The term “United States agricultural commodity” has the meaning given the term in section 102 of the Agriculture Trade Act of 1978 (7 U.S.C. 5602) and includes commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)).

Subtitle B—Implementation

SEC. 211. FUNDING LEVELS.

(a) *DIRECT CREDIT PROGRAMS.*—The Commodity Credit Corporation may make available for each fiscal year such funds of the Commodity Credit Corporation as it determines necessary to carry out any direct credit program established under section 201.

(b) *EXPORT CREDIT GUARANTEE PROGRAM.*—The Commodity Credit Corporation shall make available for each fiscal year \$5,500,000,000 of credit guarantees under section 202(a).

[(c) *MARKET ACCESS PROGRAMS.*—

[(1) *IN GENERAL.*—The Commodity Credit Corporation or the Secretary shall make available for market access activities authorized to be carried out by the Commodity Credit Corporation under section 203—

[(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than \$90,000,000 for fiscal year 2001, \$100,000,000 for fiscal year 2002, \$110,000,000 for fiscal year 2003, \$125,000,000 for fiscal year 2004, \$140,000,000 for fiscal year 2005, and \$200,000,000 for each of fiscal years 2008 through 2018, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

[(B) any funds that may be specifically appropriated to carry out a market access program under section 203.

[(2) *PROGRAM PRIORITIES.*—In providing any amount of funds made available under paragraph (1)(A) for any fiscal year that is in excess of the amount made available under paragraph

(1)(A) for fiscal year 2001, the Secretary shall, to the maximum extent practicable—

[(A) give equal consideration to—

[(i) proposals submitted by organizations that were participating organizations in prior fiscal years; and

[(ii) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title; and

[(B) give equal consideration to—

[(i) proposals submitted for activities in emerging markets; and

[(ii) proposals submitted for activities in markets other than emerging markets.]

(c) INTERNATIONAL MARKET DEVELOPMENT PROGRAM.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available for the International Market Development Program under section 205 \$255,000,000 for each of the fiscal years 2019 through 2023. Such amounts shall remain available until expended.

(2) SET-ASIDES.—

(A) MARKET ACCESS PROGRAM COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not less than \$200,000,000 shall be used for the market access program component of the International Market Development Program under subsection (b) of section 205.

(B) FOREIGN MARKET DEVELOPMENT COOPERATOR COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not less than \$34,500,000 shall be used for the foreign market development coordinator component of the International Market Development Program under subsection (c) of section 205.

(C) TECHNICAL ASSISTANCE FOR SPECIALTY CROPS COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not more than \$9,000,000, shall be used for the specialty crops component of the International Market Development Program under subsection (d) of section 205.

(D) AGRICULTURAL EXPORTS TO EMERGING MARKETS COMPONENT.—Of the funds made available under paragraph (1) for a fiscal year, not more than \$10,000,000 shall be used to promote agricultural exports to emerging markets under the International Market Development Program under subsection (e) of section 205.

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TITLE IV—GENERAL PROVISIONS

Subtitle A—Program Controls

* * * * *

SEC. 402. COMPLIANCE PROVISIONS.

(a) RECORDS.—

(1) **IN GENERAL.**—In the administration of the programs established under sections 201, 202, and **[203]** 205(b) the Secretary shall require by regulation each exporter or other participant under the program to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

(2) **CONFIDENTIALITY.**—The personally identifiable information contained in reports under subsection (a) may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

(b) **VIOLATION.**—If any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act, or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may—

(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

(2) require a refund of any assistance provided to such exporter, assignee, or participant plus interest, as determined by the Secretary; and

(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

(c) **SUSPENSION AND DEBARMENT.**—The Commodity Credit Corporation may suspend or debar for 1 or more years any exporter, assignee, or other participant from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or other participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment.

(d) **FALSE CERTIFICATIONS.**—The provisions of section 1001 of title 18, United States Code, shall apply to any false certifications issued under this Act.

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[TITLE VII—FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM

[SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZATION.

[In this title, the term “eligible trade organization” means a United States trade organization that—

[(1) promotes the export of 1 or more United States agricultural commodities or products; and

[(2) does not have a business interest in or receive remuneration from specific sales of agricultural commodities or products.

[SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

[(a) IN GENERAL.—The Secretary shall establish and, in cooperation with eligible trade organizations, carry out a foreign market development cooperator program to maintain and develop foreign markets for United States agricultural commodities and products, with a continued significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets.

[(b) ADMINISTRATION.—Funds made available to carry out this title shall be used only to provide—

[(1) cost-share assistance to an eligible trade organization under a contract or agreement with the organization; and

[(2) assistance for other costs that are necessary or appropriate to carry out the foreign market development cooperator program, including contingent liabilities that are not otherwise funded.

[SEC. 703. FUNDING.

[(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the amount of \$34,500,000 for each of fiscal years 2008 through 2018.

[(b) PROGRAM PRIORITIES.—In providing any amount of funds or commodities made available under subsection (a) for any fiscal year that is in excess of the amount made available under this section for fiscal year 2001, the Secretary shall, to the maximum extent practicable—

[(1) give equal consideration to—

[(A) proposals submitted by organizations that were participating organizations in prior fiscal years; and

[(B) proposals submitted by eligible trade organizations that have not previously participated in the program established under this title; and

[(2) give equal consideration to—

[(A) proposals submitted for activities in emerging markets; and

[(B) proposals submitted for activities in markets other than emerging markets..]

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

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[SEC. 1302. MARKET ACCESS PROGRAM.

[(a) REDUCTION OF FUNDING LEVEL.—Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended by striking “through 1995” and inserting “through 1993, and not less than \$110,000,000 for each of the fiscal years 1994 through 1997.”.

[(b) SECRETARIAL ACTIONS TO ACHIEVE SAVINGS.—In order to enable the Secretary of Agriculture to achieve the savings required in the market access program established by section 203 of the Agri-

cultural Trade Act of 1978 (7 U.S.C. 5623) as a result of the amendments made by this section:

[(1) UNFAIR TRADE PRACTICES.—Paragraph (2) of section 203(c) of such Act is amended to read as follows:

[(2) UNFAIR TRADE PRACTICES.—

[(A) REQUIREMENT.—Except as provided in subparagraph (B), the Secretary shall provide assistance under this section only to counter or offset the adverse effects of a subsidy, import quota, or other unfair trade practice of a foreign country.

[(B) EXCEPTION.—The Secretary of Agriculture shall waive the requirements of this paragraph in the case of activities conducted by small entities operating through the regional State-related organizations.”

[(2) GUIDELINES.—The Secretary of Agriculture should implement changes in the market access program established by section 203 of such Act, beginning with fiscal year 1994, in order to improve the effectiveness of the program and to meet the following objectives:

[(A) PRIORITY.—In providing assistance for branded promotion, the Secretary should give priority to small-sized entities.

[(B) GRADUATION.—The Secretary should not provide assistance under the program to promote a specific branded product in a single market for more than 5 years unless the Secretary determines that further assistance is necessary in order to meet the objectives of the program.

[(C) CONTRIBUTION LEVEL.—

[(i) IN GENERAL.—The Secretary should require a minimum contribution level of 10 percent from an eligible trade organization that receives assistance for nonbranded promotion.

[(ii) INCREASES IN CONTRIBUTION LEVEL.—The Secretary may increase the contribution level in any subsequent year that an eligible trade organization receives assistance for nonbranded promotion.

[(D) ADDITIONALITY.—The Secretary should require each participant in the program to certify that any Federal funds received supplement, but do not supplant, private or third party participant funds or other contributions to program activities.

[(E) INDEPENDENT AUDITS.—If as a result of an evaluation or audit of activities of a participant under the program, the Secretary determines that a further review is justified in order to ensure compliance with the requirements of the program, the Secretary should require the participant to contract for an independent audit of the program activities, including activities of any subcontractor.

[(3) TOBACCO.—No funds made available under the market access program may be used for activities to develop, maintain, or expand foreign markets for tobacco. (c) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall issue regulations to implement

this section [amending this section and section 5641 of this title] and the amendments made by this section.]

**FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT
OF 1990**

* * * * *

TITLE XV—AGRICULTURAL TRADE

* * * * *

**SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING
MARKETS.**

(a) **FUNDING.**—The Commodity Credit Corporation shall make available for fiscal years 1996 through [2018] 2023 not less than \$1,000,000,000 of direct credits or export credit guarantees for exports to emerging markets under section 201 or 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5621 and 5622), in addition to the amounts acquired or authorized under section 211 of the Act (7 U.S.C. 5641) for the program.

(b) **FACILITIES AND SERVICES.**—

(1) **IN GENERAL.**—A portion of such export credit guarantees shall be made available for—

(A) the establishment or improvement of facilities, or

(B) the provision of services or United States products goods,

in emerging markets by United States persons to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978).

(2) **PRIORITY.**—The Commodity Credit Corporation shall give priority under this subsection to—

(A) projects that encourage the privatization of the agricultural sector or that benefit private farms or cooperatives in emerging markets; and

(B) projects for which nongovernmental persons agree to assume a relatively larger share of the costs.

(3) **CONSTRUCTION WAIVER.**—The Secretary may waive any applicable requirements relating to the use of United States goods in the construction of a proposed facility, if the Secretary determines that—

(A) goods from the United States are not available; or

(B) the use of goods from the United States is not practicable.

(4) **TERM OF GUARANTEE.**—A facility payment guarantee under this subsection shall be for a term that is not more than the lesser of—

(A) the term of the depreciation schedule of the facility assisted; or

(B) 20 years.

(c) **CONSULTATIONS.**—Before the authority under this section is exercised, the Secretary of Agriculture shall consult with exporters

of United States agricultural commodities (as defined in section 102(7) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging market for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

[(d) E (KIKI) DE LA GARZA AGRICULTURAL FELLOWSHIP PROGRAM.—The Secretary of Agriculture (hereafter in this section referred to as the “Secretary”) shall establish a program, to be known as the “E (Kika) de la Garza Agricultural Fellowship Program”, to develop agricultural markets in emerging markets and to promote cooperation and exchange of information between agricultural institutions and agribusinesses in the United States and emerging markets, as follows:

[(1) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—

[(A) IN GENERAL.—

[(i) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 2018, the Secretary of Agriculture (hereafter in this section referred to as the “Secretary”), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging markets the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of the systems, including potential reductions in trade barriers, and identify and carry out specific opportunities and projects to enhance the effectiveness of those systems.

[(ii) EXTENT OF PROGRAM.—The Secretary shall implement this paragraph with respect to at least 3 emerging markets in each fiscal year.

[(B) EXPERTS FROM THE UNITED STATES.—The Secretary may implement the requirements of subparagraph (A)—

[(i) by providing assistance to teams consisting primarily of agricultural consultants, farmers, other persons from the private sector and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in subparagraph (A) in emerging markets;

[(ii) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging markets to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging markets; and

[(iii) by providing for necessary subsistence expenses in emerging markets and necessary transportation expenses of United States agricultural producers and other individuals knowledgeable in agricultural and agribusiness matters to assist in transfer-

ring their knowledge and expertise to entities in emerging markets.

[(C) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in subparagraph (B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this paragraph.

[(D) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide, or pay the necessary costs for, technical assistance (including the establishment of extension services) to enable individuals or other entities to implement the recommendations or to carry out the opportunities and projects identified under subparagraph (A)(i). Notwithstanding any other provision of law, the assistance shall include assistance for administrative and overhead expenses of the International Cooperation and Development Program Area of the Foreign Agriculture Service, to the extent that the expenses were incurred pursuant to reimbursable agreements entered into prior to September 30, 1993, the expenses do not exceed \$2,000,000 per year, and the expenses are not incurred for information technology systems.

[(E) REPORTS TO SECRETARY.—A team that receives assistance under subparagraph (B) shall prepare such reports as the Secretary may designate.

[(F) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this paragraph, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

[(G) USE OF CCC.—The Secretary shall implement this paragraph through the funds and facilities of the Commodity Credit Corporation. The authority provided under this paragraph shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

[(H) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this paragraph of not more than \$10,000,000 in any fiscal year.

[(2) AGRICULTURAL INFORMATION PROGRAM.—

[(A) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program, administered to complement the emerging markets export promotion program developed under this section, to initiate and develop collaboration between the United States Department of Agriculture, United States agribusinesses, and appropriate agricultural institutions in emerging markets in order to promote the exchange of information and resources that will make a long-term contribution to the establishment of free market food production and distribution systems in emerging markets and the enhancement of agricultural trade with the United States.

[(B) IMPLEMENTATION.—The Secretary shall draw on the Department of Agriculture's experience to design, imple-

ment, and evaluate, on a cost-sharing basis with cooperating agricultural institutions, a program to—

[(i)] compile, through contacts with the governments of emerging markets and private sector officials in emerging markets, a list of their agricultural institutions, including the location, capabilities, and needs of the institutions;

[(ii)] make such information available through an appropriate agency of the Department of Agriculture to agribusinesses and agricultural institutions in the United States and other agencies of the United States Government; and

[(iii)] carry out a program—

[(I)] to review available agricultural information resources, to determine which would be useful for the purposes of this program;

[(II)] to arrange for the exchange of persons associated with such agricultural institutions and agribusinesses with experience or interest in the areas of need identified in clause (i);

[(III)] to help establish contacts between agricultural entrepreneurs and businesses in the United States and emerging markets, which may include individuals and entities participating in the program established under paragraph (1), to facilitate cooperation and joint enterprises; and

[(IV)] to provide for the exchange of administrators and faculty members from agricultural and other institutions to strengthen and revise educational programs in agricultural economics, agribusiness, and agrarian law, to support change towards a free market economy in emerging markets.

[(C)] CONSULTATION AND COORDINATION.—The Secretary shall consult and coordinate with the Secretary of State and the Agency for International Development in the formulation and implementation of this program in conjunction with overall assistance to emerging markets.

[(D)] AUTHORIZATION FOR APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the program established under this paragraph.

[(e)] (d) FOREIGN DEBT BURDENS.—In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging markets by excessively adding to the foreign debt burdens of such countries.

[(f)] (e) EMERGING MARKET.—In this section and section 1543, the term “emerging market” means any country that the Secretary determines—

(1) is taking steps toward a market-oriented economy through the food, agriculture, or rural business sectors of the economy of the country; and

(2) has the potential to provide a viable and significant market for United States agricultural commodities or products of United States agricultural commodities.

SEC. 1543. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES, AND EMERGING MARKETS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program, to be known as the “Cochran Fellowship Program”, to provide fellowships to individuals from eligible countries (as determined under subsection (b)) who specialize in agriculture **【for study in the United States.】** *for study—*

(1) *in the United States; or*

(2) *at a college or university located in an eligible country that the Secretary determines—*

(A) *has sufficient scientific and technical facilities;*

(B) *has established a partnership with at least one college or university in the United States; and*

(C) *has substantial participation by faculty members of the United States college or university in the design of the fellowship curriculum and classroom instruction under the fellowship.*

(b) ELIGIBLE COUNTRIES.—Countries described in any of the following paragraphs shall be eligible to participate in the program established under this section:

(1) MIDDLE-INCOME COUNTRY.—A country that has developed economically to the point where it no longer qualifies for bilateral foreign aid assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs (hereafter referred to in this section as a “middle-income” country).

(2) ONGOING RELATIONSHIP.—A middle-income country that has never qualified for bilateral foreign aid assistance from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(3) TYPE OF GOVERNMENT.—A country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(4) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—A country that is an independent state of the former Soviet Union (as defined in section 102(8) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(8)), to the extent that the Secretary of Agriculture determines that such country should be eligible to participate in the program established under this section.

(5) EMERGING MARKET.—Any emerging market, as defined in section **【1542(f)】** *1542(e)*.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided to permit the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food and fiber needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States, *including trade linkages involving regulatory systems governing sanitary and phyto-sanitary standards for agricultural products.*

(d) **INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.**—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates for fellowships under this section from both the public and private sectors of those countries. The Secretary may provide fellowships under the program authorized by this section to private agricultural producers from eligible countries.

(e) **PROGRAM IMPLEMENTATION.**—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the Program established under this section.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the program established under this section, except that the amount of such funds in any fiscal year shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), \$3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), \$2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), \$5,000,000.

(g) **COMPLEMENTARY FUNDS.**—If the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

[SEC. 1543A. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

[(a) ESTABLISHMENT.—There is established in the Department the biotechnology and agricultural trade program.

[(b) PURPOSE.—The purpose of the program shall be to remove, resolve, or mitigate significant regulatory nontariff barriers to the export of United States agricultural commodities (as defined in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602)) into foreign markets through public and private sector projects funded by grants that address—

[(1) quick response intervention regarding nontariff barriers to United States exports involving—

[(A) United States agricultural commodities produced through biotechnology;

[(B) food safety;

- [(C) disease; or
- [(D) other sanitary or phytosanitary concerns; or
- [(2) developing protocols as part of bilateral negotiations with other countries on issues such as animal health, grain quality, and genetically modified commodities.
- [(c) ELIGIBLE PROGRAMS.—Depending on need, as determined by the Secretary, activities authorized under this section may be carried out through—
 - [(1) this section;
 - [(2) the emerging markets program under section 1542; or
 - [(3) the Cochran Fellowship Program under section 1543.
- [(d) FUNDING.—There is authorized to be appropriated \$6,000,000 for each of fiscal years 2002 through 2007.]

SEC. 1543A. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

(a) *ESTABLISHMENT.*—*There is established in the Department of Agriculture a program to be known as the “Biotechnology and Agricultural Trade Program”.*

(b) *PURPOSE.*—*The purpose of the program established under this section shall be to remove, resolve, or mitigate significant regulatory nontariff barriers to the export of United States agricultural commodities into foreign markets through policy advocacy and targeted projects that address—*

- (1) *issues relating to United States agricultural commodities produced with the use of biotechnology or new agricultural production technologies;*
- (2) *advocacy for science-based regulation in foreign markets of biotechnology or new agricultural production technologies; or*
- (3) *quick-response intervention regarding non-tariff barriers to United States exports produced through biotechnology or new agricultural production technologies.*

(c) *ELIGIBLE PROGRAMS.*—*Depending on need, as determined by the Secretary, activities authorized under this section may be carried out through—*

- (1) *this section;*
- (2) *the emerging markets program under section 1542; or*
- (3) *the Cochran Fellowship Program under section 1543.*

TITLE XVI—RESEARCH

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**Subtitle B—Sustainable Agriculture
Research and Education**

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**CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL
APPLICATIONS**

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SEC. 1624. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter \$40,000,000 for each of fiscal years 2013 through [2018] 2023. Of

amounts appropriated to carry out this chapter for a fiscal year, not less than \$15,000,000, or not less than two thirds of any such appropriation, whichever is greater, shall be used to carry out sections 1621 and 1622.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

SEC. 1627. INTEGRATED MANAGEMENT SYSTEMS.

(a) **ESTABLISHMENT.**—The Secretary shall establish a research and education program concerning integrated resource management and integrated crop management in order to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purpose of the program shall be—

(1) to encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

(2) to develop knowledge and information on integrated crop and livestock management systems and practices to assist agricultural producers in the adoption of these systems and practices;

(3) to accumulate and analyze information on agricultural production practices researched or developed under programs established under this subtitle, subtitle G of title XIV, and section 1650 and other appropriate programs of the Department of Agriculture to further the development of integrated crop and livestock management systems;

(4) to facilitate the adoption of whole-farm integrated crop and livestock management systems through demonstration projects on individual farms, including small and limited resource farms, throughout the United States; and

(5) to evaluate and recommend appropriate integrated crop and livestock management policies and programs.

(b) **DEVELOPMENT AND ADOPTION OF INTEGRATED CROP MANAGEMENT PRACTICES.**—The Secretary shall encourage agricultural producers to adopt and develop individual, site-specific integrated crop management practices. On a priority basis, the Secretary shall develop and disseminate information on integrated crop management systems for agricultural producers in specific localities or crop producing regions where the Secretary determines—

(1) water quality is impaired as a result of local or regional agricultural production practices; or

(2) the adoption of such practices may aid in the recovery of endangered or threatened species.

(c) **DEVELOPMENT AND ADOPTION OF INTEGRATED RESOURCE MANAGEMENT PRACTICES.**—The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices. These programs shall be designed to benefit producers and consumers through—

(1) optimum use of available resources and improved production and financial efficiency for producers;

(2) identifying and prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and

(3) utilizing an interdisciplinary approach.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section through the National Institute of Food and Agriculture \$20,000,000 for each of fiscal years 2013 through **[2018]** 2023.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM

SEC. 1628. TECHNICAL GUIDES AND HANDBOOKS.

(a) DEVELOPMENT.—Not later than two years after the date of the enactment of this Act, the Secretary shall develop and make available handbooks and technical guides, and any other educational materials that are appropriate for describing sustainable agriculture production systems and practices, as researched and developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department.

(b) CONSULTATION AND COORDINATION.—The Secretary shall develop the handbooks, technical guides, and educational materials in consultation with the Natural Resources Conservation Service and any other appropriate entities designated by the Secretary. The Secretary shall coordinate activities conducted under this section with those conducted under section 1261 of the Food Security Act of 1985, as added by section 1446.

(c) TOPICS OF HANDBOOKS AND GUIDES.—The handbooks and guides, and other educational materials, shall include detailed information on the selection of crops and crop-plant varieties, rotation practices, soil building practices, tillage systems, nutrient management, integrated pest management practices, habitat protection, pest, weed, and disease management, livestock management, soil, water, and energy conservation, and any other practices in accordance with or in furtherance of the purpose of this subtitle.

(d) ORGANIZATION AND CONTENTS.—The handbooks and guides, and other educational materials, shall provide practical instructions and be organized in such a manner as to enable agricultural producers desiring to implement the practices and systems developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department to address site-specific, environmental and resource management problems and to sustain farm profitability, including—

(1) enhancing and maintaining the fertility, productivity, and conservation of farmland and ranch soils, ranges, pastures, and wildlife;

(2) maximizing the efficient and effective use of agricultural inputs;

(3) protecting or enhancing the quality of water resources; or

(4) optimizing the use of on-farm and nonrenewable resources.

(e) AVAILABILITY.—The Secretary shall ensure that handbooks and technical guides, and other educational materials are made available to the agricultural community and the public through colleges and universities, the State Cooperative Extension Service, the

Soil Conservation Service, other State and Federal agencies, and any other appropriate entities.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

- (1) such sums as are necessary for fiscal year 2013; and
- (2) \$5,000,000 for each of fiscal years 2014 through [2018] 2023.

SEC. 1629. NATIONAL TRAINING PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a National Training Program in Sustainable Agriculture to provide education and training for Cooperative Extension Service agents and other professionals involved in the education and transfer of technical information concerning sustainable agriculture in order to develop their understanding, competence, and ability to teach and communicate the concepts of sustainable agriculture to Cooperative Extension Service agents and to farmers and urban residents who need information on sustainable agriculture.

(b) ADMINISTRATION.—The National Training Program shall be organized and administered by the National Institute of Food and Agriculture, in coordination with other appropriate Federal agencies. The Secretary shall designate an individual from the Cooperative Extension Service in each State to coordinate the National Training Program within that State. The coordinators shall be responsible, in cooperation with appropriate Federal and State agencies, for developing and implementing a statewide training program for appropriate field office personnel.

(c) REQUIRED TRAINING.—

(1) AGRICULTURAL AGENTS.—The Secretary shall ensure that all agricultural agents of the Cooperative Extension Service have completed the National Training Program not later than the end of the five-year period beginning on the date of enactment of this Act. Such training may occur at a college or university located within each State as designated by the coordinator designated under this section.

(2) PROOF OF TRAINING.—Beginning three years after the date of enactment of this Act, the Secretary shall ensure that all new Cooperative Extension Service agents employed by such Service are able to demonstrate, not later than 18 months after the employment of such agents, that such agents have completed the training program established in subsection (a).

(d) REGIONAL TRAINING CENTERS.—

(1) DESIGNATION.—The Secretary shall designate not less than two regional training centers to coordinate and administer educational activities in sustainable agriculture as provided for in this section.

(2) TRAINING PROGRAM.—Such centers shall offer intensive instructional programs involving classroom and field training work for extension specialists and other individuals who are required to transmit technical information.

(3) PROHIBITION ON CONSTRUCTION.—Such centers shall be located at existing facilities, and no funds appropriated to carry out this chapter shall be used for facility construction.

(4) ADMINISTRATION.—Such centers should be administered by entities that have a demonstrated capability relating to sustainable agriculture. The Secretary should consider utilizing

existing entities with expertise in sustainable agriculture to assist in the design and implementation of the training program under paragraph (2).

(5) COORDINATION OF RESOURCES.—Such centers shall make use of information generated by the Department of Agriculture and the State agricultural experiment stations, and the practical experience of farmers, especially those cooperating in on-farm demonstrations and research projects, in carrying out the functions of such centers.

(e) COMPETITIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall establish a competitive grants program to award grants to organizations, including land-grant colleges and universities, to carry out sustainable agricultural training for county agents and other individuals that need basic information concerning sustainable agriculture practices.

(2) SHORT COURSES.—The purpose of the grants made available under paragraph (1) shall be to establish, in various regions in the United States, training programs that consist of workshops and short courses designed to familiarize participants with the concepts and importance of sustainable agriculture.

(f) REGIONAL SPECIALISTS.—To assist county agents and farmers implement production practices developed under this subtitle, subtitle G of title XIV, and other appropriate research programs of the Department, regional sustainable agriculture specialists may be designated within each State who shall report to the State coordinator of that State. The specialists shall be responsible for developing and coordinating local dissemination of sustainable agriculture information in a manner that is useful to farmers in the region.

(g) INFORMATION AVAILABILITY.—The Cooperative Extension Service within each State shall transfer information developed under this subtitle, subtitle G of title XIV, and other appropriate research programs of the Department through a program that shall—

(1) assist in developing farmer-to-farmer information exchange networks to enable farmers making transitions to more sustainable farming systems to share ideas and draw on the experiences of other farmers;

(2) help coordinate and publicize a regular series of sustainable agriculture farm tours and field days within each State;

(3) plan for extension programming, including extensive farmer input and feedback, in the design of new and ongoing research endeavors related to sustainable agriculture;

(4) provide technical assistance to individual farmers in the design and implementation of farm management plans and strategies for making a transition to more sustainable agricultural systems;

(5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service in carrying out the information, technical assistance, and related programs;

(6) develop, coordinate, and direct special education and outreach programs in areas highly susceptible to groundwater

contamination, linking sustainable agriculture information with water quality improvement information;

(7) develop information sources relating to crop diversification, alternative crops, on-farm food or commodity processing, and on-farm energy generation;

(8) establish a well-water testing program designed to provide those persons dependent upon underground drinking water supplies with an understanding of the need for regular water testing, information on sources of testing, and an understanding of how to interpret test results and provide for the protection of underground water supplies;

(9) provide specific information on water quality practices developed through the research programs in subtitle G of title XIV;

(10) provide specific information on nutrient management practices developed through the research programs in subtitle G of title XIV; and

(11) provide information concerning whole-farm management systems integrating research results under this subtitle, subtitle G of title XIV, and other appropriate research programs of the Department.

(h) DEFINITION.—For purposes of this section, the term “appropriate field office personnel” includes employees of the National Institute of Food and Agriculture, Soil Conservation Service, and other appropriate Department of Agriculture personnel, as determined by the Secretary, whose activities involve the provision of agricultural production and conservation information to agricultural producers.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the National Training Program \$20,000,000 for each of fiscal years 2013 through [2018] 2023.

Subtitle C—National Genetic Resources Program

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SEC. 1635. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

(a) DEFINITIONS.—For purposes of this subtitle:

(1) The term “program” means the National Genetic Resources Program.

(2) The term “Secretary” means the Secretary of Agriculture.

(3) The term “Director” means the Director of the National Genetic Resources Program.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle—

(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

(2) \$1,000,000 for each of fiscal years 2014 through [2018] 2023.

Subtitle D—National Agricultural Weather Information System

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SEC. 1641. FUNDING.

(a) ALLOCATION OF FUNDS.—

(1) COOPERATIVE WORK.—Not less than 15 percent and not more than 25 percent of the funds appropriated for a fiscal year to carry out this subtitle shall be used for cooperative work with the National Weather Service entered into under section 1638(b)(1).

(2) COMPETITIVE GRANTS PROGRAM.—Not less than 15 percent and not more than 25 percent of such funds shall be used by the National Institute of Food and Agriculture for a competitive grants program under section 1638(c).

(3) WEATHER INFORMATION SYSTEMS.—Not less than 25 percent and not more than 35 percent of such funds shall be divided equally between the participating States selected for that fiscal year under section 1640.

(4) OTHER PURPOSES.—The remaining funds shall be allocated for use by the Agricultural Weather Office and the National Institute of Food and Agriculture in carrying out generally the provisions of this subtitle.

(b) LIMITATIONS ON USE OF FUNDS.—Funds provided under the authority of this subtitle shall not be used for the construction of facilities. Each State or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agricultural and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle \$5,000,000 for each of the fiscal years 2008 through 2012 and \$1,000,000 for each of fiscal years 2014 through [2018] 2023.

Subtitle H—Miscellaneous Research Provisions

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SEC. 1671. AGRICULTURAL GENOME TO PHENOME INITIATIVE.

[(a) GOALS.—The goals of this section are—

[(1) to expand the knowledge of public and private sector entities and persons concerning genomes for species of importance to the food and agriculture sectors in order to maximize the return on the investment in genomics of agriculturally important species;

[(2) to focus on the species that will yield scientifically important results that will enhance the usefulness of many agriculturally important species;

[(3) to build on genomic research, such as the Human Genome Initiative and the Arabidopsis Genome Project, to under-

stand gene structure and function that is expected to have considerable payoffs in agriculturally important species;

[(4) to develop improved bioinformatics to enhance both sequence or structure determination and analysis of the biological function of genes and gene products;

[(5) to encourage Federal Government participants to maximize the utility of public and private partnerships for agricultural genome research;

[(6) to allow resources developed under this section, including data, software, germplasm, and other biological materials, to be openly accessible to all persons, subject to any confidentiality requirements imposed by law; and

[(7) to encourage international partnerships with each partner country responsible for financing its own strategy for agricultural genome research.

[(b) DUTIES OF SECRETARY.—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall conduct a research initiative (to be known as the “Agricultural Genome Initiative”) for the purpose of—

[(1) studying and mapping agriculturally significant genes to achieve sustainable and secure agricultural production;

[(2) ensuring that current gaps in existing agricultural genetics knowledge are filled;

[(3) identifying and developing a functional understanding of genes responsible for economically important traits in agriculturally important species, including emerging plant and animal pathogens and diseases causing economic hardship;

[(4) ensuring future genetic improvement of agriculturally important species;

[(5) supporting preservation of diverse germplasm;

[(6) ensuring preservation of biodiversity to maintain access to genes that may be of importance in the future;

[(7) reducing the economic impact of plant pathogens on commercially important crop plants; and

[(8) otherwise carrying out this section.]

(a) GOALS.—*The goals of this section are—*

(1) to expand knowledge concerning genomes and phenomes of crops of importance to United States agriculture;

(2) to understand how variable weather, environments, and production systems impact the growth and productivity of specific varieties of crops, thereby providing greater accuracy in predicting crop performance under variable growing conditions;

(3) to support research that leverages plant genomic information with phenotypic and environmental data through an interdisciplinary framework, leading to a novel understanding of plant processes that affect crop growth, productivity, and the ability to predict crop performance, resulting in the deployment of superior varieties to growers and improved crop management recommendations for farmers;

(4) to promote and coordinate research linking genomics and predictive phenomics at different sites nationally to achieve advances in crops that generate societal benefits;

(5) to combine fields such as genetics, genomics, plant physiology, agronomy, climatology, and crop modeling with computation and informatics, statistics, and engineering;

(6) to focus on crops that will yield scientifically important results that will enhance the usefulness of many other crops;

(7) to build on genomic research, such as the Plant Genome Research Project, to understand gene function in production environments that are expected to have considerable payoffs for crops of importance to United States agriculture;

(8) to develop improved data analytics to enhance understanding of the biological function of crop genes;

(9) to allow resources developed under this section, including data, software, germplasm, and other biological materials, to be openly accessible to all persons, subject to any confidentiality requirements imposed by law; and

(10) to encourage international partnerships with each partner country responsible for financing its own research.

(b) *DUTIES OF SECRETARY.*—The Secretary of Agriculture shall conduct a research initiative (to be known as the “Agricultural Genome to Phenome Initiative”) for the purpose of—

(1) studying agriculturally significant crops in production environments to achieve sustainable and secure agricultural production;

(2) ensuring that current gaps in existing knowledge of agricultural crop genetics and phenomics knowledge are filled;

(3) identifying and developing a functional understanding of agronomically relevant genes from crops of importance to United States agriculture;

(4) ensuring future genetic improvement of crops of importance to United States agriculture;

(5) studying the relevance of diverse germplasm as a source of unique genes that may be of importance to United States agriculture in the future;

(6) enhancing crop genetics to reduce the economic impact of plant pathogens on crops of importance to United States agriculture; and

(7) disseminating findings to relevant audiences.

(c) *GRANTS AND COOPERATIVE AGREEMENTS.*—

(1) *AUTHORITY.*—The Secretary, acting through the National Institute of Food and Agriculture, may make grants or enter into cooperative agreements with individuals and organizations in accordance with section 1472 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3318).

(2) *COMPETITIVE BASIS.*—A grant or cooperative agreement under this subsection shall be made or entered into on a competitive basis.

(3) *CONSORTIA.*—The Secretary shall encourage awards under this section to consortia of eligible entities.

(d) *ADMINISTRATION.*—Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) shall apply with respect to the making of a grant or cooperative agreement under this section.

(e) *CONSULTATION WITH NATIONAL ACADEMY OF SCIENCES.*—The Secretary may use funds made available under this section to consult with the National Academy of Sciences regarding the administration of the Agricultural Genome to Phenome Initiative.

(f) *AUTHORIZATION OF APPROPRIATIONS.*—*There are authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2019 through 2023.*

SEC. 1672. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

(a) **COMPETITIVE SPECIALIZED RESEARCH AND EXTENSION GRANTS AUTHORIZED.**—The Secretary of Agriculture (referred to in this section as the “Secretary”) may make competitive grants to support research and extension activities specified in subsections (d) through (g). The Secretary shall make the grants in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board.

(b) **ADMINISTRATION.**—

(1) **IN GENERAL.**—Except as otherwise provided in this section, paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) shall apply with respect to the making of grants under this section.

(2) **USE OF TASK FORCES.**—To facilitate the making of research and extension grants under this section in the research and extension areas specified in subsections (d) through (g), the Secretary may appoint a task force for each such area to make recommendations to the Secretary. The Secretary may not incur costs in excess of \$1,000 for any fiscal year in connection with each task force established under this paragraph.

(c) **PARTNERSHIPS ENCOURAGED.**—Following the completion of a peer review process for grant proposals received under this section, the Secretary shall provide a priority to those grant proposals, found in the peer review process to be scientifically meritorious, that involve the cooperation of multiple entities.

(d) **HIGH-PRIORITY RESEARCH AND EXTENSION AREAS.**—

(1) **DAIRY FINANCIAL RISK MANAGEMENT RESEARCH AND EXTENSION.**—Research and extension grants may be made under this section for the purpose of providing research, development, or education materials, information, and outreach programs regarding risk management strategies for dairy producers and for dairy cooperatives and other processors and marketers of milk.

(2) **POTATO RESEARCH AND EXTENSION.**—Research and extension grants may be made under this section for the purpose of developing and evaluating new strains of potatoes that are resistant to blight and other diseases, as well as insects. Emphasis may be placed on developing potato varieties that lend themselves to innovative marketing approaches.

(3) **WOOD USE RESEARCH AND EXTENSION.**—Research and extension grants may be made under this section for the purpose of developing new uses for wood from underused tree species as well as investigating methods of modifying wood and wood fibers to produce better building materials.

(4) **BIGHORN AND DOMESTIC SHEEP DISEASE MECHANISMS.**—Research and extension grants may be made under this section to conduct research relating to the health status of (including the presence of infectious diseases in) bighorn and domestic sheep under range conditions.

(5) **AGRICULTURAL DEVELOPMENT IN THE AMERICAN-PACIFIC REGION.**—Research and extension grants may be made under

this section to support food and agricultural science at a consortium of land-grant institutions in the American-Pacific region.

(6) TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.—Research grants may be made under this section, in equal dollar amounts to the Caribbean and Pacific Basins, to support tropical and subtropical agricultural research, including pest and disease research, at the land-grant institutions in the Caribbean and Pacific regions.

(7) WOMEN AND MINORITIES IN STEM FIELDS.—Research and extension grants may be made under this section to increase participation by women and underrepresented minorities from rural areas in the fields of science, technology, engineering, and mathematics, with priority given to eligible institutions that carry out continuing programs funded by the Secretary.

(8) [ALFALFA AND FORAGE] *ALFALFA SEED AND ALFALFA FORAGE SYSTEMS* RESEARCH PROGRAM.—Research and extension grants may be made under this section for the purpose of studying improvements in [alfalfa and forage] *alfalfa seed and alfalfa forage systems* yields, biomass and persistence, pest pressures, the bioenergy potential of [alfalfa and other forages, and] *alfalfa seed and other alfalfa forage systems* to reduce losses during harvest and storage.

(9) COFFEE PLANT HEALTH INITIATIVE.—Research and extension grants may be made under this section for the purposes of—

(A) developing and disseminating science-based tools and treatments to combat the coffee berry borer (*Hypothenemus hampei*); and

(B) establishing an areawide integrated pest management program in areas affected by, or areas at risk of, being affected by the coffee berry borer.

(10) CORN, SOYBEAN MEAL, CEREAL GRAINS, AND GRAIN BY-PRODUCTS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of carrying out or enhancing research to improve the digestibility, nutritional value, and efficiency of the use of corn, soybean meal, cereal grains, and grain byproducts for the poultry and food animal production industries.

(11) *MACADAMIA TREE HEALTH INITIATIVE*.—Research and extension grants may be made under this section for the purposes of—

(A) *developing and disseminating science-based tools and treatments to combat the macadamia felted coccid (*Eriococcus ironsidei*); and*

(B) *establishing an areawide integrated pest management program in areas affected by, or areas at risk of being affected by, the macadamia felted coccid.*

(12) *NATIONAL TURFGRASS RESEARCH INITIATIVE*.—Research and extension grants may be made under this section for the purposes of—

(A) *carrying out or enhancing research related to turfgrass and sod issues;*

(B) *enhancing production and uses of turfgrass for the general public;*

(C) identifying new turfgrass varieties with superior drought, heat, cold, and pest tolerance to reduce water, fertilizer, and pesticide use;

(D) selecting genetically superior turfgrasses and developing improved technologies for managing commercial, residential, and recreational turfgrass areas;

(E) producing turfgrasses that—

(i) aid in mitigating soil erosion;

(ii) protect against pollutant runoff into waterways;

or

(iii) provide other environmental benefits;

(F) investigating, preserving, and protecting native plant species, including grasses not currently utilized in turfgrass systems;

(G) creating systems for more economical and viable turfgrass seed and sod production throughout the United States; and

(H) investigating the turfgrass phytobiome and developing biologic products to enhance soil, enrich plants, and mitigate pests.

(13) **FERTILIZER MANAGEMENT INITIATIVE.**—

(A) **IN GENERAL.**—Research and extension grants may be made under this section for the purpose of carrying out research to improve fertilizer use efficiency in crops—

(i) to maximize crop yield; and

(ii) to minimize nutrient losses to surface and groundwater and the atmosphere.

(B) **PRIORITY.**—In awarding grants under subparagraph (A), the Secretary shall give priority to research examining the impact of the source, rate, timing, and placement of plant nutrients.

(14) **CATTLE FEVER TICK PROGRAM.**—Research and extension grants may be made under this section to study cattle fever ticks—

(A) to facilitate the understanding of the role of wildlife in the persistence and spread of cattle fever ticks;

(B) to develop advanced methods for eradication of cattle fever ticks, including—

(i) alternative treatment methods for cattle and other susceptible species;

(ii) field treatment for premises, including corral pens and pasture loafing areas;

(iii) methods for treatment and control on infested wildlife;

(iv) biological control agents; and

(v) new and improved vaccines;

(C) to evaluate rangeland vegetation that impacts the survival of cattle fever ticks;

(D) to improve management of diseases relating to cattle fever ticks that are associated with wildlife, livestock, and human health;

(E) to improve diagnostic detection of tick-infested or infested animals and pastures; and

(F) to conduct outreach to impacted ranchers, hunters, and landowners to integrate tactics and document sustainability of best practices.

(15) *LAYING HEN AND TURKEY RESEARCH PROGRAM.*—Research grants may be made under this section for the purpose of improving the efficiency and sustainability of laying hen and turkey production through integrated, collaborative research and technology transfer. Emphasis may be placed on laying hen and turkey disease prevention, antimicrobial resistance, nutrition, gut health, and alternative housing systems under extreme seasonal weather conditions.

(16) *ALGAE AGRICULTURE RESEARCH PROGRAM.*—Research and extension grants may be made under this section for the development and testing of algae and algae systems (including micro- and macro-algae systems).

(e) **PULSE CROP HEALTH INITIATIVE.**—

(1) **DEFINITIONS.**—In this subsection:

(A) **INITIATIVE.**—The term “Initiative” means the pulse crop health initiative established by paragraph (2).

(B) **PULSE CROP.**—The term “pulse crop” means dry beans, dry peas, lentils, and chickpeas.

(2) **ESTABLISHMENT.**—The Secretary shall carry out a pulse crop health competitive research and extension initiative to address the critical needs of the pulse crop industry by developing and disseminating science-based tools and information, including—

(A) research conducted with respect to pulse crops in the areas of health and nutrition, such as—

(i) pulse crop diets and the ability of such diets to reduce obesity and associated chronic disease; and

(ii) the underlying mechanisms of the health benefits of pulse crop consumption;

(B) research related to the functionality of pulse crops, such as—

(i) improving the functional properties of pulse crops and pulse crop fractions; and

(ii) developing new and innovative technologies to improve pulse crops as an ingredient in food products;

(C) research conducted with respect to pulse crops for purposes of enhancing sustainability and global food security, such as—

(i) improving pulse crop productivity, nutrient density, and phytonutrient content using plant breeding, genetics, and genomics;

(ii) improving pest and disease management, including resistance to pests and diseases; and

(iii) improving nitrogen fixation and water use efficiency to reduce the carbon and energy footprint of agriculture;

(D) the optimization of systems used in producing pulse crops to reduce water usage; and

(E) education and technical assistance programs with respect to pulse crops, such as programs—

(i) providing technical expertise to help food companies include pulse crops in innovative and healthy food; and

(ii) establishing an educational program to encourage pulse crop consumption in the United States.

(3) ADMINISTRATION.—Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) shall apply with respect to the making of a competitive grant under this subsection.

(4) PRIORITIES.—In making competitive grants under this subsection, the Secretary shall provide a higher priority to projects that—

(A) are multistate, multiinstitutional, and multidisciplinary; and

(B) include explicit mechanisms to communicate results to the pulse crop industry and the public.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$25,000,000 for each of fiscal years 2014 through **[2018]** 2023.

(f) TRAINING COORDINATION FOR FOOD AND AGRICULTURE PROTECTION.—

(1) IN GENERAL.—The Secretary shall make a competitive grant to, or enter into a contract or a cooperative agreement with, an eligible entity (described in paragraph (2)) for purposes of establishing an internationally integrated training system to enhance the protection of the food supply in the United States, to be known as the “Comprehensive Food Safety Training Network” (referred to in this subsection as the “Network”).

(2) ELIGIBILITY.—

(A) IN GENERAL.—For purposes of this subsection, an eligible entity is a multiinstitutional consortium that includes—

(i) a nonprofit institution that provides food safety protection training; and

(ii) one or more training centers in institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that have demonstrated expertise in developing and delivering community-based training in food supply and agricultural safety and defense.

(B) COLLECTIVE CONSIDERATION.—The Secretary may consider such consortium collectively and not on an institution-by-institution basis.

(3) DUTIES OF ELIGIBLE ENTITY.—As a condition of receiving a competitive grant or entering into a contract or a cooperative agreement with the Secretary under this subsection, the eligible entity, in cooperation with the Secretary, shall establish and maintain the Network, including by—

(A) providing basic, technical, management, and leadership training (including by developing curricula) to regulatory and public health officials, producers, processors, and other agribusinesses;

(B) serving as the hub for the administration of the Network;

(C) implementing a standardized national curriculum to ensure the consistent delivery of quality training throughout the United States;

(D) building and overseeing a nationally recognized instructor cadre to ensure the availability of highly qualified instructors;

(E) reviewing training proposed through the National Institute of Food and Agriculture and other relevant Federal agencies that report to the Secretary on the quality and content of proposed and existing courses;

(F) assisting Federal agencies in the implementation of food safety protection training requirements including requirements under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), the Agricultural Act of 2014, and any provision of law amended by such Act; and

(G) performing evaluation and outcome-based studies to provide to the Secretary information on the effectiveness and impact of training and metrics on jurisdictions and sectors within the food safety system.

(4) MEMBERSHIP.—An eligible entity may alter the consortium membership to meet specific training expertise needs.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$20,000,000 for each of fiscal years 2014 through **2018** 2023, to remain available until expended.

(g) POLLINATOR PROTECTION.—

(1) RESEARCH AND EXTENSION.—

(A) GRANTS.—Research and extension grants may be made under this section—

(i) to survey and collect data on bee colony production and health;

(ii) to investigate pollinator biology, immunology, ecology, genomics, and bioinformatics;

(iii) to conduct research on various factors that may be contributing to or associated with colony collapse disorder, and other serious threats to the health of honey bees and other pollinators, including—

(I) parasites and pathogens of pollinators; and

(II) the sublethal effects of insecticides, herbicides, and fungicides on honey bees and native and managed pollinators;

(iv) to develop mitigative and preventative measures to improve native and managed pollinator health; and

(v) to promote the health of honey bees and native pollinators through habitat conservation and best management practices.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$10,000,000 for each of fiscal years 2008 through **2018** 2023.

(2) DEPARTMENT OF AGRICULTURE CAPACITY AND INFRASTRUCTURE.—

(A) IN GENERAL.—The Secretary shall, to the maximum extent practicable, increase the capacity and infrastructure of the Department—

(i) to address colony collapse disorder and other long-term threats to pollinator health, including the hiring of additional personnel; and

(ii) to conduct research on colony collapse disorder and other pollinator issues at the facilities of the Department.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$7,250,000 for each of fiscal years 2008 through **[2018]** 2023.

(3) HONEY BEE SURVEILLANCE.—There is authorized to be appropriated to conduct a nationwide honey bee pest, pathogen, health, and population status surveillance program \$2,750,000 for each of fiscal years 2008 through **[2018]** 2023.

(4) CONSULTATION.—The Secretary, in consultation with the Secretary of the Interior and the Administrator of the Environmental Protection Agency, shall publish guidance on enhancing pollinator health and the long-term viability of populations of pollinators, including recommendations related to—

(A) allowing for managed honey bees to forage on National Forest System lands where compatible with other natural resource management priorities; and

(B) planting and maintaining managed honey bee and native pollinator foraging on National Forest System lands where compatible with other natural resource management priorities.

(5) ANNUAL REPORT ON RESPONSE TO HONEY BEE COLONY COLLAPSE DISORDER.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report—

(A) describing the progress made by the Department of Agriculture in—

(i) investigating the cause or causes of honey bee colony collapse and honey bee health disorders;

(ii) finding appropriate strategies, including best management practices to reduce colony loss; and

(iii) addressing the decline of managed honey bees and native pollinators;

(B) assessing Federal efforts to mitigate pollinator losses and threats to the United States commercial beekeeping industry; and

(C) providing recommendations to Congress regarding how to better coordinate Federal agency efforts to address the decline of managed honey bees and native pollinators.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through **[2018]** 2023.

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SEC. 1672B. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

(a) COMPETITIVE SPECIALIZED RESEARCH AND EXTENSION GRANTS AUTHORIZED.—In consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board, the

Secretary of Agriculture (referred to in this section as the “Secretary”) may make competitive grants to support research, education, and extension activities regarding organically grown and processed agricultural commodities for the purposes of—

(1) facilitating the development and improvement of organic agriculture production, breeding, and processing methods;

(2) evaluating the potential economic benefits of organic agricultural production and methods to producers, processors, and rural communities;

(3) exploring international trade opportunities for organically grown and processed agricultural commodities;

(4) determining desirable traits for organic commodities;

(5) identifying marketing and policy constraints on the expansion of organic agriculture;

(6) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production, marketing, food safety, socioeconomic conditions, and farm business management;

(7) examining optimal conservation, *soil health*, and environmental outcomes relating to organically produced agricultural products; and

(8) developing new and improved seed varieties that are particularly suited for organic agriculture.

(b) GRANT TYPES AND PROCESS, PROHIBITION ON CONSTRUCTION.—Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) shall apply with respect to the making of grants under this section.

(c) PARTNERSHIPS ENCOURAGED.—Following the completion of a peer review process for grant proposals received under this section, the Secretary may provide a priority to those grant proposals, found in the peer review process to be scientifically meritorious, that involve the cooperation of multiple entities.

(d) FUNDING.—On October 1, 2003, and each October 1 thereafter through October 1, 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer \$3,000,000 to the Secretary of Agriculture for this section.

(e) FUNDING.—

(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

(A) \$18,000,000 for fiscal year 2009;

(B) \$20,000,000 for each of fiscal years 2010 through 2012; **[and]**

(C) \$20,000,000 for each of fiscal years 2014 through 2018~~].~~; *and*

(D) \$30,000,000 for each of fiscal years 2019 through 2023.

(2) DISCRETIONARY FUNDING **[FOR FISCAL YEARS 2014 THROUGH 2018]**.—In addition to amounts made available under paragraph (1), there is authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2014 through **[2018]** 2023.

(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section \$25,000,000 for fiscal year 2013.

SEC. 1672D. FARM BUSINESS MANAGEMENT.

[(a) IN GENERAL.—The Secretary may make competitive research and extension grants for the purpose of—

[(1) improving the farm management knowledge and skills of agricultural producers; and

[(2) establishing and maintaining a national, publicly available farm financial management database to support improved farm management.]

(a) *IN GENERAL.*—*The Secretary may make competitive research and extension grants for the purpose of improving the farm management knowledge and skills of agricultural producers by maintaining and expanding a national, publicly available farm financial management database to support improved farm management.*

(b) SELECTION CRITERIA.—In allocating funds made available to carry out this section, the Secretary may give priority to grants that—

(1) demonstrate an ability to work directly with agricultural producers;

(2) collaborate with farm management [and producer] *educational programs and* associations;

(3) address the farm management needs of a variety of crops and regions of the United States; and

(4) [use and support] *contribute data to* the national farm financial management database.

(c) ADMINISTRATION.—Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) shall apply with respect to the making of grants under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for fiscal year 2013; and

(2) \$5,000,000 for each of fiscal years 2014 through [2018] 2023.

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SEC. 1680. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

(a) SPECIAL DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary of Agriculture, in consultation with other appropriate Federal agencies, shall make demonstration grants to support cooperative programs between State Cooperative Extension Service agencies and private nonprofit disability organizations to provide on-the-farm agricultural education and assistance directed at accommodating disability in farm operations for individuals with disabilities who are engaged in farming and farm-related occupations and their families.

(2) ELIGIBLE SERVICES.—Grants awarded under paragraph (1) may be used to support programs serving individuals with disabilities, and their families, who are engaged in farming and farm-related occupations.

(3) ELIGIBLE PROGRAMS.—Grants awarded under paragraph (1) may be used to initiate, expand, or sustain programs that—

(A) provide direct education and assistance to accommodate disability in farming to individuals with disabilities who engage in farming and farm-related occupations;

(B) provide on-the-farm technical advice concerning the design, fabrication, and use of agricultural and related equipment, machinery, and tools, and assist in the modification of farm worksites, operations, and living arrangements to accommodate individuals with disabilities who engage in farming, farm living and farm-related tasks;

(C) involve community and health care professionals, including Extension Service agents and others, in the early identification of farm and rural families that are in need of services related to the disability of an individual;

(D) provide specialized education programs to enhance the professional competencies of rural agricultural professionals, rehabilitation and health care providers, vocational counselors, and other providers of service to individuals with disabilities, and their families, who engage in farming or farm-related occupations; and

(E) mobilize rural volunteer resources, including peer counseling among farmers with disabilities and rural ingenuity networks promoting cost effective methods or accommodating disabilities in farming and farm-related activities.

(4) EXTENSION SERVICE AGENCIES.—Grants shall be awarded under this subsection directly to State Extension Service agencies to enable them to enter into contracts, on a multiyear basis, with private nonprofit community-based direct service organizations to initiate, expand, or sustain cooperative programs described under paragraphs (2) and (3).

(5) MINIMUM AMOUNT.—A grant awarded under this subsection may not be less than \$150,000.

(6) CONSIDERATION FOR GRANTS FOR NEW PROGRAMS.—For each fiscal year that amounts are made available for grants under this subsection, the Secretary may make grants in a manner that ensures that eligible entities who apply for grants, but have not previously received a grant under this subsection, are given full consideration.

(7) CLARIFICATION OF APPLICATION OF PROVISIONS TO VETERANS WITH DISABILITIES.—*This subsection shall apply with respect to veterans with disabilities, and their families, who—*

(A) are engaged in farming or farm-related occupations;

or

(B) are pursuing new farming opportunities.

(b) NATIONAL GRANT FOR TECHNICAL ASSISTANCE, TRAINING AND DISSEMINATION.—The Secretary of Agriculture shall award a competitive grant to a national private nonprofit disability organization to enable such organization to provide technical assistance, training, information dissemination and other activities to support community-based direct service programs of on-site rural rehabilitation and assistive technology for individuals (*including veterans*) with disabilities, and their families, who are engaged in farming or

farm-related occupations or, in the case of veterans with disabilities, who are pursuing new farming opportunities.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to carry out this section—

(A) \$6,000,000 for each of fiscal years 1999 through 2013; and

(B) \$5,000,000 for each of fiscal years 2014 through [2018] 2023.

(2) NATIONAL GRANT.—Not more than 15 percent of the amounts made available under paragraph (1) for a fiscal year shall be used to carry out subsection (b).

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TITLE XXIII—RURAL DEVELOPMENT

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Subtitle D—Enhancing Human Resources

CHAPTER 1—TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS

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SEC. 2333. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) SERVICES TO RURAL AREAS.—The Secretary may provide financial assistance for the purpose of financing the construction of facilities and systems to provide telemedicine services and distance learning services in rural areas.

(b) FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Financial assistance shall consist of grants or cost of money loans, or both.

(2) FORM.—The Secretary shall determine the portion of the financial assistance provided to a recipient that consists of grants and the portion that consists of cost of money loans so as to result in the maximum feasible repayment to the Federal Government of the financial assistance, based on the ability to repay of the recipient and full utilization of funds made available to carry out this chapter.

(c) RECIPIENTS.—

(1) IN GENERAL.—The Secretary may provide financial assistance under this chapter to—

(A) entities using telemedicine services or distance learning services;

(B) entities providing or proposing to provide telemedicine service or distance learning service to other persons at rates calculated to ensure that the benefit of the financial assistance is passed through to the other persons;

(C) libraries.

(2) ELECTRIC OR TELECOMMUNICATIONS BORROWERS.—

(A) LOANS TO BORROWERS.—Subject to subparagraph (B), the Secretary may provide a cost of money loan under this

chapter to a borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.). A borrower receiving a cost of money loan under this paragraph shall—

(i) make the funds provided available to entities that qualify under paragraph (1) for projects satisfying the requirements of this chapter;

(ii) use the funds provided to acquire, install, improve, or extend a system referred to in subsection (a); or

(iii) use the funds provided to install, improve, or extend a facility referred to in subsection (a).

(B) LIMITATIONS.—A borrower of an electric or telecommunications loan under the Rural Electrification Act of 1936 shall—

(i) make a system or facility funded under subparagraph (A) available to entities that qualify under paragraph (1); and

(ii) neither retain from the proceeds of a loan provided under subparagraph (A), nor assess a qualifying entity under paragraph (1), any amount except as may be required to pay the actual costs incurred in administering the loan or making the system or facility available.

(3) APPEAL.—If the Secretary rejects the application of a borrower who applies for a cost of money loan or grant under this section, the borrower may appeal the decision to the Secretary not later than 10 days after the borrower is notified of the rejection.

(4) ASSISTANCE TO PROVIDE OR IMPROVE SERVICES.—Financial assistance may be provided under this chapter for a facility regardless of the location of the facility if the Secretary determines that the assistance is necessary to provide or improve telemedicine services or distance learning services in a rural area.

(5) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—

(A) *IN GENERAL.*—While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, the Secretary shall make available not less than 10 percent of the amounts made available under section 2335A for financial assistance under this chapter, for telemedicine services to identify and treat individuals affected by the emergency, subject to subparagraph (B).

(B) *EXCEPTION.*—In the case of a fiscal year for which the Secretary determines that there are not sufficient qualified applicants to receive financial assistance to reach the 10-percent requirement under subparagraph (A), the Secretary may make available less than 10 percent of the amounts made available under section 2335A for those services.

(d) PRIORITY.—The Secretary shall establish procedures to prioritize financial assistance under this chapter considering—

- (1) the need for the assistance in the affected rural area;
- (2) the financial need of the applicant;
- (3) the population sparsity of the affected rural area;

(4) the local involvement in the project serving the affected rural area;

(5) geographic diversity among the recipients of financial assistance;

(6) the utilization of the telecommunications facilities of any telecommunications provider serving the affected rural area;

(7) the portion of total project financing provided by the applicant from the funds of the applicant;

(8) the portion of project financing provided by the applicant with funds obtained from non-Federal sources;

(9) the joint utilization of facilities financed by other financial assistance;

(10) the coordination of the proposed project with regional projects or networks;

(11) service to the greatest practical number of persons within the general geographic area covered by the financial assistance;

(12) conformity with the State strategic plan as prepared under section 381D of the Consolidated Farm and Rural Development Act; and

(13) other factors determined appropriate by the Secretary.

(e) **MAXIMUM AMOUNT OF ASSISTANCE TO INDIVIDUAL RECIPIENTS.**—The Secretary may establish the maximum amount of financial assistance to be made available to an individual recipient for each fiscal year under this chapter, by publishing notice of the maximum amount in the Federal Register not more than 45 days after funds are made available for the fiscal year to carry out this chapter.

(f) **USE OF FUNDS.**—Financial assistance provided under this chapter shall be used for—

(1) the development and acquisition of instructional programming;

(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, or other facilities that would further telemedicine services or distance learning services;

(3) providing technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2); or

(4) other uses that are consistent with this chapter, as determined by the Secretary.

(g) **SALARIES AND EXPENSES.**—Notwithstanding subsection (f), financial assistance provided under this chapter shall not be used for paying salaries or administrative expenses.

(h) **EXPEDITING COORDINATED TELEPHONE LOANS.**—

(1) **IN GENERAL.**—The Secretary may establish and carry out procedures to ensure that expedited consideration and determination is given to applications for loans and advances of funds submitted by local exchange carriers under this chapter and the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) to enable the exchange carriers to provide advanced tele-

communications services in rural areas in conjunction with any other projects carried out under this chapter.

(2) DEADLINE IMPOSED ON SECRETARY.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan under paragraph (1), the Secretary shall notify the applicant in writing of the decision of the Secretary regarding the application.

(i) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—

(1) APPLICANTS.—Each applicant for a grant for a telemedicine or distance learning project established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Secretary for the grant.

(2) SECRETARY.—The Secretary shall—

(A) publish notice of applications received for grants under this chapter for telemedicine or distance learning projects; and

(B) make the applications available for inspection.

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SEC. 2335A. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter **[\$75,000,000 for each of fiscal years 2014 through 2018]** *\$82,000,000 for each of fiscal years 2019 through 2023.*

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Subtitle G—Rural Revitalization Through Forestry

Chapter 1—Forestry Rural Revitalization

SEC. 2371. FORESTRY RURAL REVITALIZATION.

(a) ESTABLISHMENT OF ECONOMIC DEVELOPMENT AND GLOBAL MARKETING PROGRAM.—The Secretary of Agriculture, acting through the National Institute of Food and Agriculture and the Cooperative Extension System, and in consultation with the Forest Service, shall establish and implement educational programs and provide technical assistance to assist businesses, industries, and policymakers to create jobs, raise incomes, and increase public revenues in manners consistent with environmental concerns.

(b) ACTIVITIES.—Each program established under subsection (a) shall—

(1) transfer technologies to natural resource-based industries in the United States to make such industries more efficient, productive, and competitive;

(2) assist businesses to identify global marketing opportunities, conduct business on an international basis, and market themselves more effectively; and

(3) train local leaders in strategic community economic development.

(c) TYPES OF PROGRAMS.—The Secretary of Agriculture shall establish specific programs under subsection (a) to—

(1) delivery educational services focused on community economic analysis, economic diversification, economic impact analysis, retention and expansion of existing commodity and non-

commodity industries, amenity resource and tourism development, and entrepreneurship focusing on forest lands and rural communities;

(2) use Cooperative Extension System databases and analytical tools to help communities diversify their economic bases, add value locally to raw forest product materials, and retain revenues by helping to develop local businesses and industries to supply forest products locally; and

(3) use the full resources of the Cooperative Extension System, including land-grant universities and county offices, to promote economic development that is sustainable and environmentally sound.

(d) **RURAL REVITALIZATION TECHNOLOGIES.**—

(1) **IN GENERAL.**—The Secretary of Agriculture, acting through the Chief of the Forest Service, in consultation with the State and Private Forestry Technology Marketing Unit at the Forest Products Laboratory, and in collaboration with eligible institutions, may carry out a program—

(A) to accelerate adoption of technologies using biomass and small-diameter materials;

(B) to create community-based enterprises through marketing activities and demonstration projects; and

(C) to establish small-scale business enterprises to make use of biomass and small-diameter materials.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through **[2018] 2023**.

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Subtitle H—Miscellaneous Provisions

SEC. 2381. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

(a) **ESTABLISHMENT.**—The Secretary shall establish, within the National Agricultural Library, in coordination with the National Institute of Food and Agriculture, a National Rural Information Center Clearinghouse (in this section referred to as the “Clearinghouse”) to perform the functions specified in subsection (b).

(b) **FUNCTIONS.**—The Clearinghouse shall provide and distribute information and data to any industry, organization, or Federal, State, or local government entity, on request, about programs and services provided by Federal, State, and local agencies and private nonprofit organizations and institutions under which individuals residing in, or organizations and State and local government entities operating in, a rural area may be eligible for any kind of assistance, including job training, education, health care, and economic development assistance, and emotional and financial counseling. To the extent possible, the National Agricultural Library shall use telecommunications technology to disseminate information to rural areas.

(c) **FEDERAL AGENCIES.**—On request of the Secretary, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out subsection (b).

(d) STATE AND LOCAL AGENCIES AND NONPROFIT ORGANIZATIONS.—The Secretary shall request State and local governments and private nonprofit organizations and institutions to provide to the Clearinghouse such information as such agencies and organizations may have about any program or service of such agencies, organizations, and institutions under which individuals residing in a rural area may be eligible for any kind of assistance, including job training, educational, health care, and economic development assistance, and emotional and financial counseling.

(e) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated \$500,000 for each of the fiscal years 1991 through ~~2018~~ 2023.

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TITLE XXV—OTHER RELATED PROVISIONS

SEC. 2501. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.

(a) OUTREACH AND ASSISTANCE.—

(1) PROGRAM.—The Secretary of Agriculture shall carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers and veteran farmers or ranchers—

(A) in owning and operating farms and ranches; and

(B) in participating equitably in the full range of agricultural programs offered by the Department.

(2) REQUIREMENTS.—The outreach and technical assistance program under paragraph (1) shall be used exclusively—

(A) to enhance coordination of the outreach, technical assistance, and education efforts authorized under agriculture programs; and

(B) to assist the Secretary in—

(i) reaching current and prospective socially disadvantaged farmers or ranchers and veteran farmers or ranchers in a linguistically appropriate manner; and

(ii) improving the participation of those farmers and ranchers in Department programs, as reported under section 2501A.

(3) GRANTS AND CONTRACTS.—

(A) IN GENERAL.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity that has demonstrated an ability to carry out the requirements described in paragraph (2) to provide outreach and technical assistance under this subsection.

(B) RELATIONSHIP TO OTHER LAW.—The authority to carry out this section shall be in addition to any other authority provided in this or any other Act.

(C) OTHER PROJECTS.—Notwithstanding paragraph (1), the Secretary may make grants to, and enter into contracts and other agreements with, an organization or institution that received funding under this section before Jan-

uary 1, 1996, to carry out a project that is similar to a project for which the organization or institution received such funding.

(D) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and make publicly available, an annual report that includes a list of the following:

- (i) The recipients of funds made available under the program.
- (ii) The activities undertaken and services provided.
- (iii) The number of current and prospective socially disadvantaged farmers or ranchers served and outcomes of such service.
- (iv) The problems and barriers identified by entities in trying to increase participation by current and prospective socially disadvantaged farmers or ranchers.

(4) FUNDING.—

(A) FISCAL YEARS 2009 THROUGH ~~2018~~ 2023.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

- (i) \$15,000,000 for fiscal year 2009;
- (ii) \$20,000,000 for each of fiscal years 2010 through 2012; and
- (iii) \$10,000,000 for each of fiscal years 2014 through ~~2018~~ 2023.

(B) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section \$20,000,000 for fiscal year 2013.

(C) INTERAGENCY FUNDING.—In addition to funds authorized to be appropriated under subparagraph (A) or (B), any agency of the Department may participate in any grant, contract, or agreement entered into under this subsection by contributing funds, if the agency determined that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.

(D) LIMITATION ON USE OF FUNDS FOR ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amounts made available under subparagraph (A) or (B) for a fiscal year may be used for expenses related to administering the program under this section.

(E) PRIORITY.—*In making grants and entering into contracts and other agreements under this section, the Secretary shall give priority to projects that—*

- (i) deliver agricultural education to youth under the age of 18 in underserved and underrepresented communities;*
- (ii) provide youth under the age of 18 with agricultural employment or volunteer opportunities, or both; and*
- (iii) demonstrate experience in providing such education or opportunities to socially disadvantaged youth.*

~~[(E)]~~ (F) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section

\$20,000,000 for each of fiscal years 2014 through **[2018]** 2023.

(b) DESIGNATION OF FEDERAL PERSONNEL.—

(1) IN GENERAL.—The Secretary shall designate from existing Federal personnel resources in the county or region a qualified person who shall, in cooperation with the State cooperative extension services, implement the policies and programs established or modified in accordance with this section.

(2) ADDITIONAL PERSONNEL.—In counties or regions in which the number of socially disadvantaged farmers and ranchers or veteran farmers and ranchers exceeds 25 percent of the total number of farmers and ranchers in the county or region, the Secretary shall designate additional personnel to implement the policies and programs established or modified in accordance with this section.

(c) REPORT TO CONGRESS.—

(1) IN GENERAL.—Not later than September 30, 1992, and every two years thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, regarding—

(A) the efforts of the Secretary to enhance participation by veteran farmers or ranchers and members of socially disadvantaged groups in agricultural programs;

(B) the specific participation goals established for each agricultural program;

(C) the results achieved for each agricultural program;

and
(D) the progress of the Department towards meeting each of the purposes described in paragraph (2)(C).

(2) CONTENTS.—In addition to the information specified in paragraph (1), the report required by paragraph (1) shall include—

(A) a comparison of the participation goals and the actual participation rates of veteran farmers or ranchers and members of socially disadvantaged groups in each agricultural program;

(B) an analysis and explanation of the reasons for the success or failure of the Secretary to achieve the goals, and the overall purposes of this section;

(C) a listing, on a State-by-State and county-by-county basis, of—

(i) the amount of funds loaned to members of socially disadvantaged groups; and

(ii) the amount of funds used to guarantee loans to members of socially disadvantaged groups compared to the total amount of such guarantees;

(D) a breakdown in allocation of crop base in each program crop compared to the target participation rates established pursuant to sections 355(a)(1) and 355(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(1)), on a State-by-State and county-by-county basis; and

(E) a review and analysis of participation by members of socially disadvantaged groups, compared to participation

by all others, in agricultural programs, on a State-by-State and county-by-county basis, including a survey representative of all farmers and ranchers, including socially disadvantaged farmers and ranchers, to identify reasons for participation and nonparticipation in agricultural programs.

(d) **AFFIRMATIVE ACTION, APPEALS, AND CONTRACTING REVIEW.**—

(1) **PURPOSE.**—It is the purpose of this subsection to direct the Secretary to analyze within the Department the design and implementation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department.

(2) **SCOPE.**—The study shall include—

(A) an assessment of the successes and failures of these affirmative action programs and policies;

(B) a review of the reasons for the successes and failures described in subparagraph (A);

(C) a review of procurement, contracting, and purchasing policies of the Department, the level of participation of socially disadvantaged businesses in such activities, and the impact of those policies on the participation of members of socially disadvantaged groups in such contracting with the Department;

(D) a review of the reasons for participation or lack of participation of businesses owned by members of socially disadvantaged groups in the activities described in subparagraph (C); and

(E) a review of the appeals process for all complaints or allegations regarding acts, practices, or patterns of discrimination filed with the Department by individuals or any other entities that shall include—

(i) the number of complaints or allegations regarding acts, practices, or patterns of discrimination;

(ii) the manner in which the complaints were investigated and resolved by the Department; and

(iii) the longest, shortest, and average periods of time taken to investigate and resolve the complaints or allegations regarding acts, practices, or patterns of discrimination.

(3) **REPORT.**—Not later than November 28, 1991, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the information described in paragraph (2).

(e) **DEFINITIONS.**—

(1) **SOCIALLY DISADVANTAGED GROUP.**—As used in this section, the term “socially disadvantaged group” means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(2) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—As used in this section, the term “socially disadvantaged farmer or rancher” means a farmer or rancher who is a member of a socially disadvantaged group.

(3) AGRICULTURE PROGRAMS.—As used in this section, the term “agriculture programs” are those established or authorized by—

- (A) the Agricultural Act of 1949;
- (B) the Consolidated Farm and Rural Development Act;
- (C) the Agricultural Adjustment Act of 1938;
- (D) the Soil Conservation Act;
- (E) the Domestic Allotment Assistance Act;
- (F) the Food Security Act of 1985; and
- (G) other such Acts as the Secretary deems appropriate.

(4) DEPARTMENT.—The term “Department” means the Department of Agriculture.

(5) ELIGIBLE ENTITY.—The term “eligible entity” means any of the following:

(A) Any community-based organization, network, or coalition of community-based organizations that—

(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers and veteran farmers or ranchers;

(ii) has provided to the Secretary documentary evidence of work with, and on behalf of, socially disadvantaged farmers or ranchers and veteran farmers or ranchers during the 3-year period preceding the submission of an application for assistance under subsection (a); and

(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

(B) An 1890 institution or 1994 institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), including West Virginia State College.

(C) An Indian tribal community college or an Alaska Native cooperative college.

(D) An Hispanic-serving institution (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

(E) Any other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

(F) An Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or a national tribal organization that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

(G) An organization or institution that received funding under subsection (a) before January 1, 1996, but only with respect to projects that the Secretary considers are similar to projects previously carried out by the organization or institution under such subsection.

(6) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(7) VETERAN FARMER OR RANCHER.—The term “veteran farmer or rancher” means a farmer or rancher who has served in the Armed Forces (as defined in section 101(10) of title 38 United States Code) and who—

(A) has not operated a farm or ranch; or

(B) has operated a farm or ranch for not more than 10 years.

(f)
(g) RESERVATIONS.—

(1) CONSOLIDATED SUBOFFICE.—The Secretary shall require the Farm Service Agency and Natural Resources Conservation Service, and such other offices and functions the Secretary may choose to include where there has been a need demonstrated, in each county that has a reservation within its borders, to establish a consolidated suboffice at the tribal headquarters of said reservation and to staff said suboffice as needed, using existing staff, but no less than one day a week or under such other arrangement agreed to by the tribe and the Department offices.

(2) COOPERATIVE AGREEMENTS.—For those reservations that are located in more than one county, the Secretary, the relevant county offices and the tribe shall enter into a cooperative agreement to provide the services required by paragraph (1) that avoids duplication of effort.

(h) ACCURATE DOCUMENTATION.—The Secretary shall ensure, to the maximum extent practicable, that the Census of Agriculture and studies carried out by the Economic Research Service accurately document the number, location, and economic contributions of socially disadvantaged farmers or ranchers in agricultural production.

(i) SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER.—The Secretary shall award a grant to a college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, to establish a policy research center to be known as the “Socially Disadvantaged Farmers and Ranchers Policy Research Center” for the purpose of developing policy recommendations for the protection and promotion of the interests of socially disadvantaged farmers and ranchers.

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AGRICULTURAL MARKETING ACT OF 1946

TITLE II

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Subtitle A—General Provisions

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SEC. 210. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

(a) **DEFINITIONS.**—In this section:

(1) **BOARD.**—The term “Board” means the Board of Directors established under subsection (f).

(2) **CENTER.**—The term “Center” means the National Sheep Industry Improvement Center established under subsection (b).

(3) **ELIGIBLE ENTITY.**—The term “eligible entity” means an entity that promotes the betterment of the United States sheep or goat industries and that is—

(A) a public, private, or cooperative organization;

(B) an association, including a corporation not operated for profit;

(C) a federally recognized Indian Tribe; or

(D) a public or quasi-public agency.

(4) **FUND.**—The term “Fund” means the National Sheep Industry Improvement Center Revolving Fund established under subsection (e).

(5) **INTERMEDIARY.**—The term “intermediary” means a financial institution receiving Center funds for establishing a revolving fund and relending to an eligible entity.

(b) **ESTABLISHMENT OF CENTER.**—The Secretary shall establish a National Sheep Industry Improvement Center.

(c) **PURPOSES.**—The purposes of the Center shall be to—

(1) promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance production and marketing of sheep or goat products in the United States;

(2) optimize the use of available human capital and resources within the sheep or goat industries;

(3) provide assistance to meet the needs of the sheep or goat industry for infrastructure development, business development, production, resource development, and market and environmental research;

(4) advance activities that empower and build the capacity of the United States sheep or goat industry to design unique responses to the special needs of the sheep or goat industries on both a regional and national basis; and

(5) adopt flexible and innovative approaches to solving the long-term needs of the United States sheep or goat industry.

(d) **STRATEGIC PLAN.**—

(1) **IN GENERAL.**—The Center shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the Center.

(2) **REQUIREMENTS.**—A strategic plan shall identify—

(A) goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the Center;

(B) the amount and sources of Federal and non-Federal funds that are available for carrying out the plan;

(C) funding priorities;

(D) selection criteria for funding; and

(E) a method of distributing funding.

(e) **REVOLVING FUND.**—

(1) ESTABLISHMENT.—There is established in the Treasury the National Sheep Industry Improvement Center Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this section.

(2) CONTENTS OF FUND.—There shall be deposited in the Fund—

(A) such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the Center;

(B) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

(C) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants, contracts, or cooperative agreements executed by the Center;

(D) proceeds from the sale of assets, loans, and equity interests made in furtherance of the purposes of the Center;

(E) donations or contributions accepted by the Center to support authorized programs and activities; and

(F) any other funds acquired by the Center.

(3) USE OF FUND.—

(A) IN GENERAL.—The Center may use amounts in the Fund to make direct loans, loan guarantees, cooperative agreements, equity interests, investments, repayable grants, and grants to eligible entities, either directly or through an intermediary, in accordance with a strategic plan submitted under subsection (d).

(B) CONTINUED EXISTENCE.—The Center shall manage the Fund in a manner that ensures that sufficient amounts are available in the Fund to carry out subsection (c). The Fund is intended to furnish the initial capital for a revolving fund that will eventually be privatized for the purposes of assisting the United States sheep and goat industries.

(C) DIVERSE AREA.—The Center shall, to the maximum extent practicable, use the Fund to serve broad geographic areas and regions of diverse production.

(D) ADMINISTRATION.—The Center may not use more than 10 percent of the amounts in the portfolio of the Center for each fiscal year for the administration of the Center. The portfolio shall be calculated at the beginning of each fiscal year and shall include a total of—

(i) all outstanding loan balances;

(ii) the Fund balance;

(iii) the outstanding balance to intermediaries; and

(iv) the amount the Center paid for all equity interests.

(E) INFLUENCING LEGISLATION.—None of the amounts in the Fund may be used to influence legislation.

(F) ACCOUNTING.—To be eligible to receive amounts from the Fund, an entity must agree to account for the amounts using generally accepted accounting principles.

(G) USES OF FUND.—The Center may use amounts in the Fund to—

(i) participate with Federal and State agencies in financing activities that are in accordance with a strategic plan submitted under subsection (d), including participation with several States in a regional effort;

(ii) participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

(iii) provide security for, or make principal or interest payments on, revenue or general obligation bonds issued by a State, if the proceeds from the sale of the bonds are deposited in the Fund;

(iv) accrue interest;

(v) guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates for a project that is in accordance with the strategic plan;

(vi) sell assets, loans, and equity interests acquired in connection with the financing of projects funded by the Center; or

(vii) purchase equity interests.

(4) LOANS.—

(A) RATE.—A loan from the Fund may be made at an interest rate that is below the market rate or may be interest free.

(B) TERM.—The term of a loan may not exceed the shorter of—

(i) the useful life of the activity financed; or

(ii) 40 years.

(C) SOURCE OF REPAYMENT.—The Center may not make a loan from the Fund unless the recipient establishes an assured source of repayment.

(D) PROCEEDS.—All payments of principal and interest on a loan made from the Fund shall be deposited into the Fund.

(5) MAINTENANCE OF EFFORT.—The Center shall use the Fund only to supplement and not to supplant Federal, State, and private funds expended for rural development.

(f) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The management of the Center shall be vested in a Board of Directors.

(2) POWERS.—The Board shall—

(A) be responsible for the general supervision of the Center;

(B) review any contract, direct loan, loan guarantee, cooperative agreement, equity interest, investment, repayable grant, and grant to be made or entered into by the Center and any financial assistance provided to the Center;

- (C) make the final decision, by majority vote, on whether and how to provide assistance to an applicant; and
 (D) develop and establish a budget plan and a long-term operating plan to carry out the goals of the Center.
- (3) COMPOSITION.—The Board shall be composed of—
- (A) 7 voting members, of whom—
- (i) 4 members shall be active producers of sheep or goats in the United States;
- (ii) 2 members shall have expertise in finance and management; and
- (iii) 1 member shall have expertise in lamb, wool, goat, or goat product marketing; and
- (B) 2 nonvoting members, of whom—
- (i) 1 member shall be the Under Secretary of Agriculture for Rural Development (*or other official designated by the Secretary of Agriculture*); and
- (ii) 1 member shall be the Under Secretary of Agriculture for Research, Education, and Economics.
- (4) NOMINATION.—
- (A) NOMINATING BODY.—The Secretary shall appoint the voting members of the Board from nominations submitted by organizations described in subparagraph (B).
- (B) NATIONAL ORGANIZATIONS.—A national organization is described in this subparagraph if the organization—
- (i) consists primarily of active sheep or goat producers in the United States; and
- (ii) has as the primary interest of the organization the production of sheep or goats in the United States.
- (5) TERM OF OFFICE.—
- (A) IN GENERAL.—Subject to subparagraph (B), the term of office of a voting member of the Board shall be 3 years.
- (B) STAGGERED INITIAL TERMS.—The initial voting members of the Board (other than the chairperson of the initially established Board) shall serve for staggered terms of 1, 2, and 3 years, as determined by the Secretary.
- (C) REAPPOINTMENT.—A voting member may be reappointed for not more than one additional term.
- (6) VACANCY.—
- (A) IN GENERAL.—A vacancy on the Board shall be filled in the same manner as the original Board.
- (B) REAPPOINTMENT.—A voting member appointed to fill a vacancy for an unexpired term may be reappointed for one full term.
- (7) CHAIRPERSON.—
- (A) IN GENERAL.—The Board shall select a chairperson from among the voting members of the Board.
- (B) TERM.—The term of office of the chairperson shall be 2 years.
- (8) ANNUAL MEETING.—
- (A) IN GENERAL.—The Board shall meet not less than once each fiscal year at the call of the chairperson or at the request of the executive director appointed under subsection (g)(1).
- (B) LOCATION.—The location of a meeting of the Board shall be established by the Board.

(9) VOTING.—

(A) QUORUM.—A quorum of the Board shall consist of a majority of the voting members.

(B) MAJORITY VOTE.—A decision of the Board shall be made by a majority of the voting members of the Board.

(10) CONFLICTS OF INTEREST.—

(A) IN GENERAL.—Except as provided in subparagraph (D), a member of the Board shall not vote on any matter respecting any application, contract, claim, or other particular matter pending before the Board in which, to the knowledge of the member, an interest is held by—

- (i) the member;
- (ii) any spouse of the member;
- (iii) any child of the member;
- (iv) any partner of the member;
- (v) any organization in which the member is serving as an officer, director, trustee, partner, or employee; or
- (vi) any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest.

(B) REMOVAL.—Any action by a member of the Board that violates subparagraph (A) shall be cause for removal from the Board.

(C) VALIDITY OF ACTION.—An action by a member of the Board that violates subparagraph (A) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

(D) DISCLOSURE.—

(i) IN GENERAL.—If a member of the Board makes a full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest, except as provided in subparagraph (E)(iii).

(ii) VOTE.—A member that discloses an interest under clause (i) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

(E) REMANDS.—

(i) IN GENERAL.—The Secretary may vacate and remand to the Board for reconsideration any decision made pursuant to subsection (e)(3)(H) if the Secretary determines that there has been a violation of this paragraph or any conflict of interest provision of the bylaws of the Board with respect to the decision.

(ii) REASONS.—In the case of any violation and remand of a funding decision to the Board under clause (i), the Secretary shall inform the Board of the reasons for the remand.

(iii) CONFLICTED MEMBERS NOT TO VOTE ON REMANDED DECISIONS.—If a decision with respect to a matter is remanded to the Board by reason of a con-

flict of interest faced by a Board member, the member may not participate in any subsequent decision with respect to the matter.

(11) COMPENSATION.—

(A) IN GENERAL.—A member of the Board shall not receive any compensation by reason of service on the Board.

(B) EXPENSES.—A member of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by the member in the performance of a duty of the member.

(12) BYLAWS.—The Board shall adopt, and may from time to time amend, any bylaw that is necessary for the proper management and functioning of the Center.

(13) PUBLIC HEARINGS.—Not later than 1 year after the date of enactment of this section, the Board shall hold public hearings on policy objectives of the program established under this section.

(14) ORGANIZATIONAL SYSTEM.—The Board shall provide a system of organization to fix responsibility and promote efficiency in carrying out the functions of the Board.

(15) USE OF DEPARTMENT OF AGRICULTURE.—The Board may, with the consent of the Secretary, utilize the facilities of and the services of employees of the Department of Agriculture, without cost to the Center.

(g) OFFICERS AND EMPLOYEES.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an executive director to be the chief executive officer of the Center.

(B) TENURE.—The executive director shall serve at the pleasure of the Board.

(C) COMPENSATION.—Compensation for the executive director shall be established by the Board.

(2) OTHER OFFICERS AND EMPLOYEES.—The Board may select and appoint officers, attorneys, employees, and agents who shall be vested with such powers and duties as the Board may determine.

(3) DELEGATION.—The Board may, by resolution, delegate to the chairperson, the executive director, or any other officer or employee any function, power, or duty of the Board other than voting on a grant, loan, contract, agreement, budget, or annual strategic plan.

(h) CONSULTATION.—To carry out this section, the Board may consult with—

- (1) State departments of agriculture;
- (2) Federal departments and agencies;
- (3) nonprofit development corporations;
- (4) colleges and universities;
- (5) banking and other credit-related agencies;
- (6) agriculture and agribusiness organizations; and
- (7) regional planning and development organizations.

(i) OVERSIGHT.—

(1) IN GENERAL.—The Secretary shall review and monitor compliance by the Board and the Center with this section.

(2) SANCTIONS.—If, following notice and opportunity for a hearing, the Secretary finds that the Board or the Center is not in compliance with this section, the Secretary may—

(A) cease making deposits to the Fund;

(B) suspend the authority of the Center to withdraw funds from the Fund; or

(C) impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this Act and disqualification from receipt of financial assistance under this section.

(3) RESCISSION OF SANCTIONS.—The Secretary shall rescind sanctions imposed under paragraph (2) on a finding by the Secretary that there is no longer any failure by the Board or the Center to comply with this section or that the noncompliance will be promptly corrected.

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Subtitle D—Country of Origin Labeling

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SEC. 282. NOTICE OF COUNTRY OF ORIGIN.

(a) IN GENERAL.—

(1) REQUIREMENT.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

(2) DESIGNATION OF COUNTRY OF ORIGIN FOR LAMB, CHICKEN, GOAT, AND VENISON MEAT.—

(A) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity that is lamb, chicken, goat, or venison meat may designate the covered commodity as exclusively having a United States country of origin only if the covered commodity is derived from an animal that was—

(i) exclusively born, raised, and slaughtered in the United States;

(ii) born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

(iii) present in the United States on or before July 15, 2008, and once present in the United States, remained continuously in the United States.

(B) MULTIPLE COUNTRIES OF ORIGIN.—

(i) IN GENERAL.—A retailer of a covered commodity that is lamb, chicken, goat, or venison meat that is derived from an animal that is—

(I) not exclusively born, raised, and slaughtered in the United States,

(II) born, raised, or slaughtered in the United States, and

(III) not imported into the United States for immediate slaughter,

may designate the country of origin of such covered commodity as all of the countries in which the animal may have been born, raised, or slaughtered.

(ii) RELATION TO GENERAL REQUIREMENT.—Nothing in this subparagraph alters the mandatory requirement to inform consumers of the country of origin of covered commodities under paragraph (1).

(C) IMPORTED FOR IMMEDIATE SLAUGHTER.—A retailer of a covered commodity that is lamb, chicken, goat, or venison meat that is derived from an animal that is imported into the United States for immediate slaughter shall designate the origin of such covered commodity as—

(i) the country from which the animal was imported; and

(ii) the United States.

(D) FOREIGN COUNTRY OF ORIGIN.—A retailer of a covered commodity that is lamb, chicken, goat, or venison meat that is derived from an animal that is not born, raised, or slaughtered in the United States shall designate a country other than the United States as the country of origin of such commodity.

(E) GROUND LAMB, CHICKEN, GOAT, AND VENISON.—The notice of country of origin for ground lamb, ground chicken, ground goat, or ground venison shall include—

(i) a list of all countries of origin of such ground lamb, ground chicken, ground goat, or ground venison; or

(ii) a list of all reasonably possible countries of origin of such ground lamb, ground chicken, ground goat, or ground venison.

(3) DESIGNATION OF COUNTRY OF ORIGIN FOR FISH.—

(A) IN GENERAL.—A retailer of a covered commodity that is farm-raised fish or wild fish may designate the covered commodity as having a United States country of origin only if the covered commodity—

(i) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

(ii) in the case of wild fish, is—

(I) harvested in the United States, a territory of the United States, or a State, or by a vessel that is documented under chapter 121 of title 46, United States Code, or registered in the United States; and

(II) processed in the United States, a territory of the United States, or a State, including the waters thereof, or aboard a vessel that is documented under chapter 121 of title 46, United States Code, or registered in the United States.

(B) DESIGNATION OF WILD FISH AND FARM-RAISED FISH.—The notice of country of origin for wild fish and farm-raised fish shall distinguish between wild fish and farm-raised fish.

(4) DESIGNATION OF COUNTRY OF ORIGIN FOR PERISHABLE AGRICULTURAL COMMODITIES, GINSENG, PEANUTS, PECANS, AND MACADAMIA NUTS.—

- (A) IN GENERAL.—A retailer of a covered commodity that is a perishable agricultural commodity, ginseng, peanut, pecan, or macadamia nut may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively produced in the United States.
- (B) STATE, REGION, LOCALITY OF THE UNITED STATES.—With respect to a covered commodity that is a perishable agricultural commodity, ginseng, peanut, pecan, or macadamia nut produced exclusively in the United States, designation by a retailer of the State, region, or locality of the United States where such commodity was produced shall be sufficient to identify the United States as the country of origin.
- (b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—
- (1) prepared or served in a food service establishment; and
 - (2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or
 - (B) served to consumers at the food service establishment.
- (c) METHOD OF NOTIFICATION.—
- (1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.
 - (2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.
- (d) AUDIT VERIFICATION SYSTEM.—
- (1) IN GENERAL.—The Secretary may conduct an audit of any person that prepares, stores, handles, or distributes a covered commodity for retail sale to verify compliance with this subtitle (including the regulations promulgated under section 284(b)).
 - (2) RECORD REQUIREMENTS.—
 - (A) IN GENERAL.—A person subject to an audit under paragraph (1) shall provide the Secretary with verification of the country of origin of covered commodities. Records maintained in the course of the normal conduct of the business of such person, including animal health papers, import or customs documents, or producer affidavits, may serve as such verification.
 - (B) PROHIBITION ON REQUIREMENT OF ADDITIONAL RECORDS.—The Secretary may not require a person that prepares, stores, handles, or distributes a covered commodity to maintain a record of the country of origin of a covered commodity other than those maintained in the course of the normal conduct of the business of such person.
- (e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

(f) CERTIFICATION OF ORIGIN.—

(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as a model certification programs in existence on the date of enactment of this Act, including—

(A) the carcass grading and certification system carried out under this Act;

(B) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

(C) the origin verification system established to carry out the market access program under [section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)] *section 205 of the Agricultural Trade Act of 1978.*

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BILL EMERSON HUMANITARIAN TRUST ACT

TITLE III—BILL EMERSON HUMANITARIAN TRUST

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SEC. 302. ESTABLISHMENT OF COMMODITY TRUST.

(a) IN GENERAL.—To provide for a trust solely to meet emergency humanitarian food needs in developing countries, the Secretary of Agriculture (referred to in this title as the “Secretary”) shall establish and maintain a trust of wheat, rice, corn, or sorghum, any combination of the commodities, or funds for use as described in subsection (c).

(b) COMMODITIES OR FUNDS IN TRUST.—

(1) IN GENERAL.—The trust established under this section shall consist of—

(A) wheat in the reserve established under the Food Security Wheat Reserve Act of 1980 as of the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996;

(B) wheat, rice, corn, and sorghum (referred to in this section as “eligible commodities”) acquired in accordance with paragraph (2) to replenish eligible commodities released from the trust, including wheat to replenish wheat released from the reserve established under the Food Security Wheat Reserve Act of 1980 but not replenished as of the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996;

(C) such rice, corn, and sorghum as the Secretary may, at such time and in such manner as the Secretary determines appropriate, acquire as a result of exchanging an

equivalent value of wheat in the trust established under this section; and

(D) funds made available—

(i) under paragraph (2)(B);

(ii) as a result of an exchange of any commodity held in the trust for an equivalent amount of funds from the market, if the Secretary determines that such a sale of the commodity on the market will not unduly disrupt domestic markets; or

(iii) to maximize the value of the trust, in accordance with subsection (d)(3).

(2) REPLENISHMENT OF TRUST.—

(A) IN GENERAL.—Subject to subsection (h), commodities of equivalent value to eligible commodities in the trust established under this section may be acquired—

(i) through purchases—

(I) from producers; or

(II) in the market, if the Secretary determines that the purchases will not unduly disrupt the market; or

(ii) by designation by the Secretary of stocks of eligible commodities of the Commodity Credit Corporation.

(B) FUNDS.—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

(i) with respect to fiscal years 2000 through **2018** **2023** from funds made available to carry out the Food for Peace Act (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation for the release of eligible commodities under subsections (c)(1) and (f)(2), except that, of such funds, not more than \$20,000,000 may be expended for this purpose in each of the fiscal years 2000 through **2018** **2023**;

(ii) from funds authorized for that use by an appropriations Act; or

(iii) from funds accrued through the management of the trust under subsection (d).

(c) RELEASE OF ELIGIBLE COMMODITIES.—

(1) RELEASES FOR EMERGENCY ASSISTANCE.—

(A) DEFINITION OF EMERGENCY.—

(i) IN GENERAL.—In this paragraph, the term “emergency” means an urgent situation—

(I) in which there is clear evidence that an event or series of events described in clause (ii) has occurred—

(aa) that causes human suffering; and

(bb) for which a government concerned has not chosen, or has not the means, to remedy; or

(II) created by a demonstrably abnormal event or series of events that produces dislocation in the lives of residents of a country or region of a country on an exceptional scale.

(ii) **EVENT OR SERIES OF EVENTS.**—An event or series of events referred to in clause (i) includes 1 or more of—

(I) a sudden calamity, such as an earthquake, flood, locust infestation, or similar unforeseen disaster;

(II) a human-made emergency resulting in—

(aa) a significant influx of refugees;

(bb) the internal displacement of populations; or

(cc) the suffering of otherwise affected populations;

(III) food scarcity conditions caused by slow-onset events, such as drought, crop failure, pest infestation, and disease, that result in an erosion of the ability of communities and vulnerable populations to meet food needs; and

(IV) severe food access or availability conditions resulting from sudden economic shocks, market failure, or economic collapse, that result in an erosion of the ability of communities and vulnerable populations to meet food needs.

(B) **RELEASES.**—

(i) **IN GENERAL.**—Any funds or commodities held in the trust may be released to provide food, and cover any associated costs, under title II of the Food for Peace Act (7 U.S.C. 1721 et seq.)—

(I) to assist in averting an emergency, including during the period immediately preceding the emergency;

(II) to respond to an emergency; or

(III) for recovery and rehabilitation after an emergency.

(ii) **PROCEDURE.**—A release under clause (i) shall be carried out in the same manner, and pursuant to the same authority as provided in title II of that Act.

(C) **INSUFFICIENCY OF OTHER FUNDS.**—The funds and commodities held in the trust shall be made immediately available on a determination by the Administrator that funds available for emergency needs under title II of that Act (7 U.S.C. 1721 et seq.) for a fiscal year are insufficient to meet emergency needs during the fiscal year.

(D) **WAIVER RELATING TO MINIMUM TONNAGE REQUIREMENTS.**—Nothing in this paragraph requires a waiver by the Administrator of the Agency for International Development under section 204(a)(3) of the Food for Peace Act (7 U.S.C. 1724(a)(3)) as a condition for a release of funds or commodities under subparagraph (B).

(2) **PROCESSING OF ELIGIBLE COMMODITIES.**—Eligible commodities that are released from the trust established under this section may be processed in the United States and shipped to a developing country when conditions in the recipient country require processing.

(3) EXCHANGE.—The Secretary may exchange an eligible commodity for another United States commodity of equal value, including powdered milk, pulses, and vegetable oil.

(4) USE OF NORMAL COMMERCIAL PRACTICES.—To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall use the usual and customary channels, facilities, arrangements, and practices of trade and commerce to carry out this subsection.

(d) MANAGEMENT OF TRUST.—

(1) IN GENERAL.—The Secretary shall provide for the management of eligible commodities and funds held in the trust in a manner that is consistent with maximizing the value of the trust, as determined by the Secretary.

(2) ELIGIBLE COMMODITIES.—The Secretary shall provide—

(A) for the management of eligible commodities in the trust established under this section as to location and quality of eligible commodities needed to meet emergency situations;

(B) for the periodic rotation or replacement of stocks of eligible commodities in the trust to avoid spoilage and deterioration of the commodities;

(C) subject to the need for release of commodities from the trust under subsection (c)(1), for the management of the trust to preserve the value of the trust through acquisitions under subsection (b)(2); and

(3) FUNDS.—

(A) EXCHANGES.—If any commodity held in the trust is exchanged for funds under subsection (b)(1)(D)(ii), the funds shall be held in the trust until the date on which the funds are released in the case of an emergency under subsection (c).

(B) INVESTMENT.—The Secretary may invest funds held in the trust in any short-term obligation of the United States or any other low-risk short-term instrument or security insured by the Federal Government in which a regulated insurance company may invest under the laws of the District of Columbia.

(e) TREATMENT OF TRUST UNDER OTHER LAW.—Eligible commodities in the trust established under this section shall not be—

(1) considered a part of the total domestic supply (including carryover) for the purpose of subsection (c) or for the purpose of administering the Food for Peace Act (7 U.S.C. 1691 et seq.); and

(2) subject to any quantitative limitation on exports that may be imposed under section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406).

(f) USE OF COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—Subject to the limitations provided in this section, the funds, facilities, and authorities of the Commodity Credit Corporation shall be used by the Secretary in carrying out this section, except that any restriction applicable to the acquisition, storage, or disposition of eligible commodities owned or controlled by the Commodity Credit Corporation shall not apply.

(2) REIMBURSEMENT OF THE TRUST.—

(A) IN GENERAL.—The Commodity Credit Corporation shall be reimbursed for the release of eligible commodities from funds made available to carry out the Food for Peace Act (7 U.S.C. 1691 et seq.) and the funds shall be available to replenish the trust under subsection (b).

(B) BASIS FOR REIMBURSEMENT.—The reimbursement shall be made on the basis of the lesser of—

(i) the actual costs incurred by the Commodity Credit Corporation with respect to the eligible commodity; or

(ii) the export market price of the eligible commodity (as determined by the Secretary) as of the time the eligible commodity is released from the trust.

(C) SOURCE OF FUNDS.—The reimbursement may be made from funds appropriated for subsequent fiscal years.

(g) FINALITY OF DETERMINATION.—Any determination by the Secretary under this section shall be final.

(h) TERMINATION OF AUTHORITY.—

(1) IN GENERAL.—The authority to replenish stocks of eligible commodities to maintain the trust established under this section shall terminate on September 30, [2018] 2023.

(2) DISPOSAL OF ELIGIBLE COMMODITIES.—Eligible commodities remaining in the trust after September 30, [2018] 2023, shall be disposed of by release for use in providing for emergency humanitarian food needs in developing countries as provided in this section.

**NATIONAL AGRICULTURAL RESEARCH, EXTENSION,
AND TEACHING POLICY ACT OF 1977**

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**TITLE XIV—NATIONAL AGRICULTURAL RESEARCH,
EXTENSION, AND TEACHING POLICY ACT OF 1977**

* * * * *

Subtitle A—Findings, Purposes, and Definitions

**SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH, EXTENSION,
AND EDUCATION.**

The purposes of federally supported agricultural research, extension, and education are to—

(1) enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;

(2) increase the long-term productivity of the United States agriculture and food industry while maintaining and enhancing the natural resource base on which rural America and the United States agricultural economy depend;

(3) develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;

(4) support agricultural research and extension to promote economic opportunity in rural communities and to meet the in-

creasing demand for information and technology transfer throughout the United States agriculture industry;

(5) improve risk management in the United States agriculture industry;

(6) improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that maintain the balance between yield and environmental soundness;

(7) support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; [and]

(8) maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements[.]; and

(9) *support international scientific collaboration that leverages resources and advances the food and agricultural interests of the United States.*

* * * * *

DEFINITIONS

SEC. 1404. When used in this title:

(1) The term “Advisory Board” means the National Agricultural Research, Extension, Education, and Economics Advisory Board.

(2) The term “agricultural research” means research in the food and agricultural sciences.

(3) The term “aquaculture” means the propagation and rearing of aquacultural species, including, but not limited to, any species of finfish, mollusk, or crustacean (or other aquatic invertebrate), amphibian, reptile, ornamental fish, or aquatic plant, in controlled or selected environments.

(4) COLLEGE AND UNIVERSITY.—

(A) IN GENERAL.—The terms “college” and “university” mean an educational institution in any State which (i) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (ii) is legally authorized within such State to provide a program of education beyond secondary education, (iii) provides an educational program for which a bachelor’s degree or any other higher degree is awarded, (iv) is a public or other nonprofit institution, and (v) is accredited by a nationally recognized accrediting agency or association.

(B) INCLUSIONS.—The terms “college” and “university” include a research foundation maintained by a college or university described in subparagraph (A).

(5) COOPERATING FORESTRY SCHOOL.—

(A) IN GENERAL.—The term “cooperating forestry school” means an institution—

(i) that is eligible to receive funds under Public Law 87–788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.); and

(ii) with respect to which the Secretary has not received a declaration of the intent of that institution to not be considered a cooperating forestry school.

(B) TERMINATION OF DECLARATION.—A declaration of the intent of an institution to not be considered a cooperating forestry school submitted to the Secretary shall be in effect until September 30, [2018] 2023.

(6) The term “cooperative extension services” means the organizations established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914 (38 Stat. 372–374, as amended; 7 U.S.C. 341–349), and section 209(b) of the Act of October 26, 1974 (88 Stat. 1428, as amended; D.C. Code, sec. 31–1719(b)).

(7) The term “Department of Agriculture” means the United States Department of Agriculture.

(8) The term “extension” means the informal education programs conducted in the States in cooperation with the Department of Agriculture.

(9) FOOD AND AGRICULTURAL SCIENCES.—The term “food and agricultural sciences” means basic, applied, and developmental research, extension, and teaching activities in food and fiber, agricultural, renewable energy and natural resources, forestry, and physical and social sciences, including activities relating to the following:

(A) Animal health, production, and well-being.

(B) Plant health and production.

(C) Animal and plant germ plasm collection and preservation.

(D) Aquaculture.

(E) Food safety.

(F) Soil, water, and related resource conservation and improvement.

(G) Forestry, horticulture, and range management.

(H) Nutritional sciences and promotion.

(I) Farm enhancement, including financial management, input efficiency, and profitability.

(J) Home economics.

(K) Rural human ecology.

(L) Youth development and agricultural education, including 4–H clubs.

(M) Expansion of domestic and international markets for agricultural commodities and products, including agricultural trade barrier identification and analysis.

(N) Information management and technology transfer related to agriculture.

(O) Biotechnology related to agriculture.

(P) The processing, distributing, marketing, and utilization of food and agricultural products.

(10) HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.—

(A) IN GENERAL.—The term “Hispanic-serving agricultural colleges and universities” means colleges or universities —

(i) that qualify as Hispanic-serving institutions;

- (ii) that offer associate, bachelors, or other accredited degree programs in agriculture-related fields; and
- (iii) with respect to which the Secretary has not received a declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university.

(B) EXCEPTION.—The term “Hispanic-serving agricultural colleges and universities” does not include 1862 institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)).

(C) TERMINATION OF DECLARATION OF INTENT.—A declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university submitted to the Secretary shall be in effect until September 30, [2018] 2023.

(11) HISPANIC-SERVING INSTITUTION.—The term “Hispanic-serving institution” has the meaning given the term in section 502 of the Higher Education Act of 1965 (20 U.S.C. 1101a).

(12) INSULAR AREA.—The term “insular area” means—

- (A) the Commonwealth of Puerto Rico;
- (B) Guam;
- (C) American Samoa;
- (D) the Commonwealth of the Northern Mariana Islands;
- (E) the Federated States of Micronesia;
- (F) the Republic of the Marshall Islands;
- (G) the Republic of Palau; and
- (H) the Virgin Islands of the United States.

(13) The term “land-grant colleges and universities” means those institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503–505, as amended; 7 U.S.C. 301–305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee University.

(14) NLGCA INSTITUTION; NON-LAND-GRANT COLLEGE OF AGRICULTURE.—

[(A) IN GENERAL.—The terms “NLGCA Institution” and “non-land-grant college of agriculture” mean a public college or university offering a baccalaureate or higher degree in the study of food and agricultural sciences.]

(A) IN GENERAL.—

(i) DEFINITION.—*The terms “NLGCA Institution” and “non-land-grant college of agriculture” mean a public college or university offering a baccalaureate or higher degree in the study of agricultural sciences, forestry, or both in any area of study specified in clause (ii).*

(ii) CLARIFICATION.—*For purposes of clause (i), an area of study specified in this clause is any of the following:*

- (I) Agriculture.
- (II) Agricultural business and management.
- (III) Agricultural economics.
- (IV) Agricultural mechanization.
- (V) Agricultural production operations.

- (VI) *Aquaculture.*
- (VII) *Agricultural and food products processing.*
- (VIII) *Agricultural and domestic animal services.*
- (IX) *Equestrian or equine studies.*
- (X) *Applied horticulture or horticulture operations.*
- (XI) *Ornamental horticulture.*
- (XII) *Greenhouse operations and management.*
- (XIII) *Turf and turfgrass management.*
- (XIV) *Plant nursery operations and management.*
- (XV) *Floriculture or floristry operations and management.*
- (XVI) *International agriculture.*
- (XVII) *Agricultural public services.*
- (XVIII) *Agricultural and extension education services.*
- (XIX) *Agricultural communication or agricultural journalism.*
- (XX) *Animal sciences.*
- (XXI) *Food science.*
- (XXII) *Plant sciences.*
- (XXIII) *Soil sciences.*
- (XXIV) *Forestry.*
- (XXV) *Forest sciences and biology.*
- (XXVI) *Natural resources or conservation.*
- (XXVII) *Natural resources management and policy.*
- (XXVIII) *Natural resource economics.*
- (XXIX) *Urban forestry.*
- (XXX) *Wood science and wood products or pulp or paper technology.*
- (XXXI) *Range science and management.*
- (XXXII) *Agricultural engineering.*

(B) DESIGNATION.—Not later than 90 days after the date of the enactment of this subparagraph, the Secretary shall establish an ongoing process through which public colleges or universities may apply for designation as an NLGCA Institution.

(C) EXCLUSIONS.—The terms “NLGCA Institution” and “non-land-grant college of agriculture” do not include *any institution designated under—*

[(i) Hispanic-serving agricultural colleges and universities; or

[(ii) any institution designated under—]

[(I)] (i) the Act of July 2, 1862 (commonly known as the “First Morrill Act”; 7 U.S.C. 301 et seq.);

[(II)] (ii) the Act of August 30, 1890 (commonly known as the “Second Morrill Act”) (7 U.S.C. 321 et seq.); or

[(III)] (iii) the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note)[; or].

【(IV) Public Law 87–788 (commonly known as the “McIntire-Stennis Cooperative Forestry Act”) (16 U.S.C. 582a et seq.).】

(15) The term “Secretary” means the Secretary of Agriculture of the United States.

(16) STATE.—The term “State” means—

- (A) a State;
- (B) the District of Columbia; and
- (C) any insular area.

(17) The term “State agricultural experiment stations” means those institutions eligible to receive funds under the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i).

(18) The term “State cooperative institutions” or “State cooperative agents” means institutions or agents designated by—

- (A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;
- (B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act, including Tuskegee University;
- (C) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;
- (D) the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act;
- (E) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;
- (F) section 1430; and
- (G) subtitles G, L, and M of this title.

(19) The term “sustainable agriculture” means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

- (A) satisfy human food and fiber needs;
- (B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;
- (C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
- (D) sustain the economic viability of farm operations; and
- (E) enhance the quality of life for farmers and society as a whole.

(20) TEACHING AND EDUCATION.—The terms “teaching” and “education” mean formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees.

Subtitle B—Coordination and Planning of Agricultural Research,
Extension, and Teaching

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SEC. 1408. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) **ESTABLISHMENT.**—The Secretary shall establish within the Department of Agriculture a board to be known as the “National Agricultural Research, Extension, Education, and Economics Advisory Board”.

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The Advisory Board shall consist of **[25]** 15 members, appointed by the Secretary.

(2) **SELECTION OF MEMBERS.**—The Secretary shall appoint members of the Advisory Board from nominations submitted by organizations, associations, societies, councils, federations, groups, and companies fitting the criteria specified in paragraph (3).

[(3) MEMBERSHIP CATEGORIES.—The Advisory Board shall consist of members from each of the following categories:

[(A) 1 member representing a national farm organization.

[(B) 1 member representing farm cooperatives.

[(C) 1 member actively engaged in the production of a food animal commodity, recommended by a coalition of national livestock organizations.

[(D) 1 member actively engaged in the production of a plant commodity, recommended by a coalition of national crop organizations.

[(E) 1 member actively engaged in aquaculture, recommended by a coalition of national aquacultural organizations.

[(F) 1 member representing a national food animal science society.

[(G) 1 member representing a national crop, soil, agronomy, horticulture, plant pathology, or weed science society.

[(H) 1 member representing a national food science organization.

[(I) 1 member representing a national human health association.

[(J) 1 member representing a national nutritional science society.

[(K) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.).

[(L) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.

[(M) 1 member representing the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)).

[(N) 1 member representing NLGCA Institutions.

[(O) 1 member representing Hispanic-serving institutions.

[(P) 1 member representing the American Colleges of Veterinary Medicine.

[(Q) 1 member engaged in the transportation of food and agricultural products to domestic and foreign markets.

[(R) 1 member representing food retailing and marketing interests.

[(S) 1 member representing food and fiber processors.

[(T) 1 member actively engaged in rural economic development.

[(U) 1 member representing a national consumer interest group.

[(V) 1 member representing a national forestry group.

[(W) 1 member representing a national conservation or natural resource group.

[(X) 1 member representing private sector organizations involved in international development.

[(Y) 1 member representing a national social science association.]

(3) *MEMBERSHIP CATEGORIES.—The Advisory Board shall consist of members from each of the following categories:*

(A) *3 members representing national farm or producer organizations, which may include members—*

(i) *representing farm cooperatives;*

(ii) *who are producers actively engaged in the production of a food animal commodity and who are recommended by a coalition of national livestock organizations;*

(iii) *who are producers actively engaged in the production of a plant commodity and who are recommended by a coalition of national crop organizations; or*

(iv) *who are producers actively engaged in aquaculture and who are recommended by a coalition of national aquacultural organizations.*

(B) *2 members representing academic or research societies, which may include members representing—*

(i) *a national food animal science society;*

(ii) *a national crop, soil, agronomy, horticulture, plant pathology, or weed science society;*

(iii) *a national food science organization;*

(iv) *a national human health association; or*

(v) *a national nutritional science society.*

(C) *5 members representing agricultural research, extension, and education, which shall include each of the following:*

(i) *1 member representing the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.).*

(ii) *1 member representing the land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.*

(iii) *1 member representing the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)).*

(iv) 1 member representing NLGCA Institutions or Hispanic-serving institutions.

(v) 1 member representing the American Colleges of Veterinary Medicine.

(D) 5 members representing industry, consumer, or rural interests, including members representing—

(i) entities engaged in transportation of food and agricultural products to domestic and foreign markets;

(ii) food retailing and marketing interests;

(iii) food and fiber processors;

(iv) rural economic development interests;

(v) a national consumer interest group;

(vi) a national forestry group;

(vii) a national conservation or natural resource group;

(viii) a national social science association; or

(ix) private sector organizations involved in international development.

(4) EX OFFICIO MEMBERS.—The Secretary, the Under Secretary of Agriculture for Research, Education, and Economics, the Administrator of the Agricultural Research Service, the Director of the National Institute of Food and Agriculture, the Administrator of the Economic Research Service, and the Administrator of the National Agricultural Statistics Service shall serve as ex officio members of the Advisory Board.

(5) OFFICERS.—At the first meeting of the Advisory Board each year, the members shall elect from among the members of the Advisory Board a chairperson, vice chairperson, and 7 additional members to serve on the executive committee established under paragraph (6).

(6) EXECUTIVE COMMITTEE.—The Advisory Board shall establish an executive committee charged with the responsibility of working with the Secretary and officers and employees of the Department of Agriculture to summarize and disseminate the recommendations of the Advisory Board.

(7) EQUAL REPRESENTATION OF PUBLIC AND PRIVATE SECTOR MEMBERS.—In appointing members to serve on the Advisory Board, the Secretary shall ensure, to the maximum extent practicable, equal representation of public and private sector members.

(c) DUTIES.—The Advisory Board shall—

(1) **review and** *make recommendations, review, and* provide consultation to the Secretary, land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate on—

[(A) long-term and short-term national policies and priorities consistent with the purposes specified in section 1402 for agricultural research, extension, education, and economics; and]

- (A) long-term and short-term national policies and priorities consistent with the—
- (i) purposes specified in section 1402 for agricultural research, extension, education, and economics; and
 - (ii) priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2));
- (B) the annual establishment of priorities that—
- 【(i) are in accordance with the purposes specified in a provision of a covered law (as defined in subsection (d) of section 1492) under which competitive grants (described in subsection (c) of such section) are awarded; and 】
 - (i) are in accordance with the—
 - (I) purposes specified in a provision of a covered law (as defined in subsection (d) of section 1492) under which competitive grants (described in subsection (c) of such section) are awarded; and
 - (II) priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2)); and
 - (ii) the Board determines are national priorities.
- (2) evaluate the results and effectiveness of agricultural research, extension, education, and economics with respect to the policies and priorities *and make recommendations to the Secretary based on such evaluation*;
- (3) review and make recommendations to the Under Secretary of Agriculture for Research, Education, and Economics on the research, extension, education, and economics portion of the draft strategic plan required under section 306 of title 5, United States Code;
- (4) review *and make recommendations on* the mechanisms of the Department of Agriculture for technology assessment (which should be conducted by qualified professionals) for the purposes of—
- (A) performance measurement and evaluation of the implementation by the Secretary of the strategic plan required under section 306 of title 5, United States Code;
 - (B) implementation of national research policies and priorities that are consistent with the purposes specified in section 1402; and
 - (C) the development of mechanisms for the assessment of emerging public and private agricultural research and technology transfer initiatives; and
- (5) consult with industry groups on agricultural research, extension, education, and economics, and make recommendations to the Secretary based on that consultation.
- (d) CONSULTATION.—
- (1) DUTIES OF ADVISORY BOARD.—In carrying out this section, the Advisory Board shall consult with any appropriate agencies of the Department of Agriculture and solicit opinions and recommendations from persons who will benefit from and use fed-

erally funded agricultural research, extension, education, and economics.

(2) DUTIES OF SECRETARY.—To comply with a provision of this title or any other law that requires the Secretary to consult or cooperate with the Advisory Board or that authorizes the Advisory Board to submit recommendations to the Secretary, the Secretary shall—

(A) solicit the written opinions and recommendations of the Advisory Board; and

(B) provide a written response to the Advisory Board regarding the manner and extent to which the Secretary will implement recommendations submitted by the Advisory Board.

(e) APPOINTMENT.—A member of the Advisory Board shall be appointed by the Secretary for a term of up to 3 years. The members of the Advisory Board shall be appointed to serve staggered terms.

(f) FEDERAL ADVISORY COMMITTEE ACT.—The Advisory Board shall be deemed to have filed a charter for the purpose of section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.).

(g) ANNUAL LIMITATION ON ADVISORY BOARD EXPENSES.—

(1) MAXIMUM AMOUNT.—Not more than \$500,000 may be used to cover the necessary expenses of the Advisory Board for each fiscal year.

(2) GENERAL LIMITATION.—The expenses of the Advisory Board shall not be counted toward any general limitation on the expenses of advisory committees, panels, commissions, and task forces of the Department of Agriculture contained in any Act making appropriations for the Department of Agriculture, whether enacted before, on, or after the date of enactment of this paragraph, unless the appropriation Act specifically refers to this subsection and specifically includes this Advisory Board within the general limitation.

(h) TERMINATION.—The Advisory Board shall remain in existence until September 30, **[2018]** 2023.

SEC. 1408A. SPECIALTY CROP COMMITTEE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Specialty Crops Competitiveness Act of 2004, the executive committee of the Advisory Board shall establish, and appoint the initial members of, a permanent specialty crops committee that will be responsible for studying the scope and effectiveness of research, extension, and economics programs affecting the specialty crop industry.

(2) CITRUS DISEASE SUBCOMMITTEE.—

(A) IN GENERAL.—Not later than 45 days after the date of the enactment of the Agricultural Act of 2014, the Secretary shall establish within the **[speciality]** *specialty* crops committee, and appoint the initial members of, a citrus disease subcommittee to carry out the responsibilities of the subcommittee described in subsection (g) in accordance with subsection (j)(3) of section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632).

(B) COMPOSITION.—The citrus disease subcommittee shall be composed of **[9]** 11 members, each of whom is a

domestic producer of citrus in a State, represented as follows:

- (i) ~~Three~~ *Five* of such members shall represent Arizona or California.
- (ii) Five of such members shall represent Florida.
- (iii) One of such members shall represent Texas.

(C) MEMBERSHIP.—The Secretary may appoint individuals who are not members of the specialty crops committee or the Advisory Board established under section 1408 as members of the citrus disease subcommittee

(D) TERMINATION.—The subcommittee established under subparagraph (A) shall terminate on September 30, ~~2018~~ *2023*.

(E) FEDERAL ADVISORY COMMITTEE ACT.—The subcommittee established under subparagraph (A) shall be covered by the exemption to section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.) applicable to the Advisory Board under section 1408(f).

(b) MEMBERS.—

(1) ELIGIBILITY.—Individuals who are not members of the Advisory Board may be appointed as members of the specialty crops committee.

(2) SERVICE.—Members of the specialty crops committee shall serve at the discretion of the executive committee.

(3) DIVERSITY.—Membership of the specialty crops committee shall reflect diversity in the specialty crops represented.

(c) ANNUAL COMMITTEE REPORT.—Not later than 180 days after the establishment of the specialty crops committee, and annually thereafter, the specialty crops committee shall submit to the Advisory Board a report containing the findings of its study under subsection (a). The specialty crops committee shall include in each report recommendations regarding the following:

(1) Programs designed to improve the efficiency, productivity, and profitability of specialty crop production in the United States.

(2) Research, extension, and teaching programs designed to improve competitiveness in the specialty crop industry, including programs that would—

(A) enhance the quality and shelf-life of fresh fruits and vegetables, including their taste and appearance;

(B) develop new crop protection tools and expand the applicability and cost-effectiveness of integrated pest management;

(C) prevent the introduction of foreign invasive pests and diseases;

(D) develop new products and new uses of specialty crops, including improving the quality and taste of processed specialty crops;

(E) develop new and improved marketing tools for specialty crops;

(F) enhance food safety regarding specialty crops;

(G) improve the remote sensing and the mechanization of production practices; and

(H) enhance irrigation techniques used in specialty crop production.

(3) Analyses of changes in macroeconomic conditions, technologies, and policies on specialty crop production and consumption, with particular focus on the effect of those changes on the financial stability of producers.

(4) Development of data that provide applied information useful to specialty crop growers, their associations, and other interested beneficiaries in evaluating that industry from a regional and national perspective.

(5) Analysis of the alignment of specialty crops committee recommendations with grants awarded through the specialty crop research initiative established under section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632).

(d) CONSULTATION WITH SPECIALTY CROP INDUSTRY.—In studying the scope and effectiveness of programs under subsection (a), the specialty crops committee shall consult on an ongoing basis with diverse sectors of the specialty crop industry.

(e) CONSIDERATION BY SECRETARY.—In preparing the annual budget recommendations for the Department of Agriculture, the Secretary shall take into consideration those findings and recommendations contained in the most-recent report of the specialty crops committee that are adopted by the Advisory Board.

(f) ANNUAL REPORT BY SECRETARY.—In the budget material submitted to Congress by the Secretary in connection with the budget submitted pursuant to section 1105 of title 31, United States Code, for a fiscal year, the Secretary shall include a report describing how the Secretary addressed each recommendation of the specialty crops committee described in subsection (e).

(g) CITRUS DISEASE SUBCOMMITTEE DUTIES.—For the purposes of subsection (j) of section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632), the citrus disease subcommittee shall—

(1) advise the Secretary on citrus research, extension, and development needs;

(2) propose, by a favorable vote of two-thirds of the members of the subcommittee, a research and extension agenda and annual budgets for the funds made available to carry out such subsection;

(3) evaluate and review ongoing research and extension funded under the emergency citrus disease research and extension program (as defined in such subsection);

(4) establish, by a favorable vote of two-thirds of the members of the subcommittee, annual priorities for the award of grants under such subsection;

(5) provide the Secretary any comments on grants awarded under such subsection during the previous fiscal year; and

(6) engage in regular consultation and collaboration with the Department and other institutional, governmental, and private persons conducting scientific research on, and extension activities related to, the causes or treatments of citrus diseases and pests, both domestic and invasive, for purposes of—

(A) maximizing the effectiveness of research and extension projects funded under the citrus disease research and extension program;

(B) hastening the development of useful treatments;

- (C) avoiding duplicative and wasteful expenditures; and
 (D) providing the Secretary with such information and advice as the Secretary may request.

[SEC. 1408B. RENEWABLE ENERGY COMMITTEE.

[(a) INITIAL MEMBERS.—Not later than 90 days after the date of enactment of this section, the executive committee of the Advisory Board shall establish and appoint the initial members of a permanent renewable energy committee.

[(b) DUTIES.—The permanent renewable energy committee shall study the scope and effectiveness of research, extension, and economics programs affecting the renewable energy industry.

[(c) NONADVISORY BOARD MEMBERS.—

[(1) IN GENERAL.—An individual who is not a member of the Advisory Board may be appointed as a member of the renewable energy committee.

[(2) SERVICE.—A member of the renewable energy committee shall serve at the discretion of the executive committee.

[(d) REPORT BY RENEWABLE ENERGY COMMITTEE.—Not later than 180 days after the date of establishment of the renewable energy committee, and annually thereafter, the renewable energy committee shall submit to the Advisory Board a report that contains the findings and any recommendations of the renewable energy committee with respect to the study conducted under subsection (b).

[(e) CONSULTATION.—In carrying out the duties described in subsection (b), the renewable energy committee shall consult with the Biomass Research and Development Technical Advisory Committee established under section 9008(d) of the Biomass Research and Development Act of 2000 (7 U.S.C. 8605).

[(f) MATTERS TO BE CONSIDERED IN BUDGET RECOMMENDATION.—In preparing the annual budget recommendations for the Department, the Secretary shall take into consideration those findings and recommendations contained in the most recent report of the renewable energy committee under subsection (d) that are developed by the Advisory Committee.

[(g) REPORT BY THE SECRETARY.—In the budget material submitted to Congress by the Secretary in connection with the budget submitted pursuant to section 1105 of title 31, United States Code, for a fiscal year, the Secretary shall include a report that describes the ways in which the Secretary addressed each recommendation of the renewable energy committee described in subsection (f).]

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Subtitle C—Agricultural Research and Education Grants and Fellowships

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SEC. 1417. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) HIGHER EDUCATION TEACHING PROGRAMS.—The Secretary shall promote and strengthen higher education in the food and agricultural sciences by formulating and administering programs to enhance college and university teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics,

disciplines closely allied to the food and agricultural system, and rural economic, community, and business development.

(b) GRANTS.—The Secretary may make competitive grants (or grants without regard to any requirement for competition) to land-grant colleges and universities (including the University of the District of Columbia), to colleges and universities having significant minority enrollments and a demonstrable capacity to carry out the teaching of food and agricultural sciences, and to other colleges and universities having a demonstrable capacity to carry out the teaching of food and agricultural sciences, for a period not to exceed 5 years—

(1) to strengthen institutional capacities, including curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences, or in rural economic, community, and business development;

(2) to attract and support undergraduate and graduate students in order to educate the students in national need areas of the food and agricultural sciences, or in rural economic, community, and business development;

(3) to facilitate cooperative initiatives between two or more eligible institutions, or between eligible institutions and units of State government or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs, or teaching programs emphasizing rural economic, community, and business development;

(4) to design and implement food and agricultural programs, or programs emphasizing rural economic, community, and business development, to build teaching, research, and extension capacity at colleges and universities having significant minority enrollments;

(5) to conduct undergraduate scholarship programs to meet national and international needs for training food and agricultural scientists and professionals, or professionals in rural economic, community, and business development; and

(6) to conduct graduate and postdoctoral fellowship programs to attract highly promising individuals to research or teaching careers in the food and agricultural sciences.

(c) PRIORITIES.—In awarding grants under subsection (b), the Secretary shall give priority to—

(1) applications for teaching enhancement projects that demonstrate enhanced coordination among all types of institutions eligible for funding under this section; and

(2) applications for teaching enhancement projects that focus on innovative, multidisciplinary education programs, material, and curricula.

(d) ELIGIBILITY FOR GRANTS.—

(1) IN GENERAL.—To be eligible for a grant under subsection (b), a recipient institution must have a significant demonstrable commitment to higher education teaching programs in the food and agricultural sciences, or in rural economic, community, and business development, and to each specific subject area for which the grant is to be used.

(2) **MINORITY GROUPS.**—The Secretary may set aside a portion of the funds appropriated for the awarding of grants under subsection (b), and make such amounts available only for grants to eligible colleges and universities (including the University of the District of Columbia) that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups in the food and agricultural sciences workforce, or in the rural economic, community, and business development workforce, of the United States.

(3) **RESEARCH FOUNDATIONS.**—An eligible college or university under subsection (b) includes a research foundation maintained by the college or university.

(e) **FOOD AND AGRICULTURAL EDUCATION INFORMATION SYSTEM.**—From amounts made available for grants under this section, the Secretary may maintain a national food and agricultural education information system that contains—

(1) information on enrollment, degrees awarded, faculty, and employment placement in the food and agricultural sciences; and

(2) such other similar information as the Secretary considers appropriate.

(f) **EVALUATION OF TEACHING PROGRAMS.**—The Secretary shall conduct programs to develop, analyze, and provide to colleges and universities data and information that are essential to the evaluation of the quality of teaching programs and to facilitate the design of more effective programs comprising the food and agricultural sciences higher education system of the United States.

(g) **CONTINUING EDUCATION.**—The Secretary shall conduct special programs with colleges and universities, and with organizations in the private sector, to support educational initiatives to enable food and agricultural scientists and professionals to maintain their knowledge of changing technology, the expanding knowledge base, societal issues, and other factors that impact the skills and competencies needed to maintain the expertise base available to the agricultural system of the United States. The special programs shall include grants and technical assistance.

(h) **TRANSFERS OF FUNDS AND FUNCTIONS.**—Funds authorized in section 22 of the Act of June 29, 1935 (49 Stat. 439, chapter 338; 7 U.S.C. 329) are transferred to and shall be administered by the Secretary of Agriculture. There are transferred to the Secretary all the functions and duties of the Secretary of Education under such Act applicable to the activities and programs for which funds are made available under section 22 of such Act.

(i) **NATIONAL FOOD AND AGRICULTURAL SCIENCES TEACHING, EXTENSION, AND RESEARCH AWARDS.**—

(1) **ESTABLISHMENT.**—

(A) **IN GENERAL.**—The Secretary shall establish a National Food and Agricultural Sciences Teaching, Extension, and Research Awards program to recognize and promote excellence in teaching, extension, and research in the food and agricultural sciences at a college or university.

(B) **MINIMUM REQUIREMENT.**—The Secretary shall make at least 1 cash award in each fiscal year to a nominee selected by the Secretary for excellence in each of the areas

of teaching, extension, and research of food and agricultural science at a college or university.

(2) FUNDING.—The Secretary may transfer funds from amounts appropriated for the conduct of any agricultural research, extension, or teaching program to an account established pursuant to this section for the purpose of making the awards. The Secretary may accept gifts in accordance with Public Law 95-442 (7 U.S.C. 2269) for the purpose of making the awards.

(j) SECONDARY EDUCATION, 2-YEAR POSTSECONDARY EDUCATION, AND AGRICULTURE IN THE K-12 CLASSROOM.—

(1) DEFINITIONS.—In this subsection:

(A) INSTITUTION OF HIGHER EDUCATION.—The term “institution of higher education” has the meaning given the term in section 101 of the Higher Education Act of 1965.

(B) SECONDARY SCHOOL.—The term “secondary school” has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

(2) AGRISCIENCE AND AGRIBUSINESS EDUCATION.—The Secretary shall—

(A) promote and strengthen secondary education and 2-year postsecondary education in agriscience and agribusiness in order to help ensure the existence in the United States of a qualified workforce to serve the food and agricultural sciences system; and

(B) promote complementary and synergistic linkages among secondary, 2-year postsecondary, and higher education programs in the food and agricultural sciences in order to promote excellence in education and encourage more young Americans to pursue and complete a baccalaureate or higher degree in the food and agricultural sciences.

(3) GRANTS.—The Secretary may make competitive or non-competitive grants, for grant periods not to exceed 5 years, to public secondary schools, institutions of higher education that award an associate’s degree, other institutions of higher education, and nonprofit organizations, that the Secretary determines have made a commitment to teaching agriscience and agribusiness—

(A) to enhance curricula in agricultural education;

(B) to increase faculty teaching competencies;

(C) to interest young people in pursuing higher education in order to prepare for scientific and professional careers in the food and agricultural sciences;

(D) to promote the incorporation of agriscience and agribusiness subject matter into other instructional programs, particularly classes in science, business, and consumer education;

(E) to facilitate joint initiatives by the grant recipient with other secondary schools, institutions of higher education that award an associate’s degree, and institutions of higher education that award a bachelor’s degree to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve agriscience and agribusiness education;

(F) to support other initiatives designed to meet local, State, regional, or national needs related to promoting excellence in agriscience and agribusiness education; and

(G) to support current agriculture in the classroom programs for grades K–12.

(k) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications and proposals for grants or nominations for awards submitted under this section.

(l) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a biennial report detailing the distribution of funds used to implement the teaching programs under subsection (j).

(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section—

(1) \$60,000,000 for each of fiscal years 1990 through 2013;

and

(2) \$40,000,000 for each of fiscal years 2014 through [2018] 2023.

* * * * *

SEC. 1419A. AGRICULTURAL AND FOOD POLICY RESEARCH CENTERS.

(a) IN GENERAL.—Consistent with this section, the Secretary shall, acting through the Office of the Chief Economist, make competitive grants to, or enter into cooperative agreements with, policy research centers described in subsection (b) to conduct research and education programs that are objective, operationally independent, and external to the Federal Government and that concern the effect of public policies and trade agreements on—

(1) the farm and agricultural sectors (including commodities, livestock, dairy, and specialty crops);

(2) the environment;

(3) rural families, households, and economies; and

(4) consumers, food, and nutrition.

(b) ELIGIBLE RECIPIENTS.—An entity eligible to apply for funding under subsection (a) is a State agricultural experiment station, college or university, or other public research institution or organization that has a history of providing—

(1) unbiased, nonpartisan economic analysis to Congress on the areas specified in paragraphs (1) through (4) of subsection (a); or

(2) objective, scientific information to Federal agencies and the public to support and enhance efficient, accurate implementation of Federal drought preparedness and drought response programs, including interagency thresholds used to determine eligibility for mitigation or emergency assistance.

(c) PREFERENCE.—In making awards under this section, the Secretary shall give a preference to policy research centers that have—

(1) extensive databases, models, and demonstrated experience in providing Congress with agricultural market projections, rural development analysis, agricultural policy analysis, and baseline projections at the farm, multiregional, national, and international levels; or

(2) information, analysis, and research relating to drought mitigation.

(d) **ACTIVITIES.**—Under this section, funding may be provided for disciplinary and interdisciplinary research and education concerning policy research activities consistent with this section, including activities that—

- (1) quantify the implications of public policies and regulations;
- (2) develop theoretical and applied research methods;
- (3) collect, analyze, and disseminate data for policymakers, analysts, and individuals; and
- (4) develop programs to train analysts.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2014 through **[2018] 2023**.

SEC. 1419B. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS..

(a) **EDUCATION GRANTS PROGRAM FOR ALASKA NATIVE SERVING INSTITUTIONS.**—

(1) **GRANT AUTHORITY.**—The Secretary of Agriculture may make competitive grants to Alaska Native serving institutions for the purpose of promoting and strengthening the ability of Alaska Native serving institutions to carry out education, applied research, and related community development programs.

(2) **USE OF GRANT FUNDS.**—Grants made under this section shall be used—

(A) to support the activities of consortia of Alaska Native serving institutions to enhance educational equity for under represented students;

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agriculture sciences;

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level including by village elders and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Alaska Native serving institutions, or between Alaska Native serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(3) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to make grants under this subsection \$10,000,000 in fiscal years 2001 through **[2018] 2023**.

(b) EDUCATION GRANTS PROGRAM FOR NATIVE HAWAIIAN SERVING INSTITUTIONS.—

(1) GRANT AUTHORITY.—The Secretary of Agriculture may make competitive grants to Native Hawaiian serving institutions for the purpose of promoting and strengthening the ability of Native Hawaiian serving institutions to carry out education, applied research, and related community development programs.

(2) USE OF GRANT FUNDS.—Grants made under this section shall be used—

(A) to support the activities of consortia of Native Hawaiian serving institutions to enhance educational equity for under represented students, including permitting consortia to designate fiscal agents for the members of the consortia and to allocate among the members funds made available under this section;

(B) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agriculture sciences;

(C) to attract and support undergraduate and graduate students from under represented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(D) to facilitate cooperative initiatives between two or more Native Hawaiian serving institutions, or between Native Hawaiian serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as faculty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this subsection \$10,000,000 for each of fiscal years 2001 through [2018] 2023.

SEC. 1419C. LAND-GRANT DESIGNATION.

(a) *IN GENERAL.*—Notwithstanding any other provision of law, beginning on the date of the enactment of this section, no additional entity may be designated as eligible to receive funds under a covered program.

(b) *STATE FUNDING.*—No State shall receive an increase in funding under a covered program as a result of the State's designation of additional entities as eligible to receive such funding.

(c) *COVERED PROGRAM DEFINED.*—For purposes of this section, the term “covered program” means agricultural research, extension, education, and related programs or grants established or available under any of the following:

(1) Subsections (b), (c), and (d) of section 3 of the Smith-Lever Act (7 U.S.C. 343).

(2) The Hatch Act of 1887 (7 U.S.C. 361a et seq.).

(3) Sections 1444, 1445, and 1447 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221; 3222; 3222b).

(4) Public Law 87-788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.).

(d) EXCEPTION.—Nothing in this section shall be construed as limiting eligibility for a capacity and infrastructure program specified in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C)) that is not a covered program.

Subtitle D—National Food and Human Nutrition Research and Extension Program

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[SEC. 1425. NUTRITION EDUCATION PROGRAM.]

[(a) DEFINITION OF 1862 INSTITUTION AND 1890 INSTITUTION.—In this section, the terms “1862 Institution” and “1890 Institution” have the meaning given those terms in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601).

[(b) ESTABLISHMENT.—The Secretary shall establish a national education program which shall include, but not be limited to, the dissemination of the results of food and human nutrition research performed or funded by the Department of Agriculture.

[(c) EMPLOYMENT AND TRAINING.—To enable low-income individuals and families to engage in nutritionally sound food purchase and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), shall provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population.

[(d) ALLOCATION OF FUNDING.—Beginning with the fiscal year ending September 30, 1982—

[(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of such amount for the conduct of such program in States that did not participate in such program in the fiscal year ending September 30, 1981.

[(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

[(A) 4 per centum shall be available to the Secretary for administrative, technical, and other services necessary for the administration of the program.

[(B) Notwithstanding section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), the remainder shall be allocated among the States as follows:

[(i) \$100,000 shall be distributed to each 1862 Institution and 1890 Institution.

[(ii) Subject to clause (iii), the remainder shall be allocated to each State in an amount that bears the same ratio to the total amount to be allocated under this clause as—

[(I) the population living at or below 125 percent of the income poverty guidelines (as prescribed by the Office of Management and Budget and as adjusted pursuant to section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) in the State; bears to

[(II) the total population living at or below 125 percent of those income poverty guidelines in all States;

as determined by the most recent decennial census at the time at which each such additional amount is first appropriated.

[(iii)(I) Before any allocation of funds under clause (ii), for any fiscal year for which the amount of funds appropriated for the conduct of the expanded food and nutrition education program exceeds the amount of funds appropriated for the program for fiscal year 2007, the following percentage of such excess funds for the fiscal year shall be allocated to the 1890 Institutions in accordance with subclause (II):

[(aa) 10 percent for fiscal year 2009.

[(bb) 11 percent for fiscal year 2010.

[(cc) 12 percent for fiscal year 2011.

[(dd) 13 percent for fiscal year 2012.

[(ee) 14 percent for fiscal year 2013.

[(ff) 15 percent for fiscal year 2014 and for each fiscal year thereafter.

[(II) Funds made available under subclause (I) shall be allocated to each 1890 Institution in an amount that bears the same ratio to the total amount to be allocated under this clause as—

[(aa) the population living at or below 125 percent of the income poverty guidelines (as prescribed by the Office of Management and Budget and as adjusted pursuant to section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) in the State in which the 1890 Institution is located; bears to

[(bb) the total population living at or below 125 percent of those income poverty guidelines in all States in which 1890 Institutions are located;

as determined by the most recent decennial census at the time at which each such additional amount is first appropriated.

[(iv) Nothing in this subparagraph precludes the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph.

[(e) **COMPLEMENTARY ADMINISTRATION.**—The Secretary shall ensure the complementary administration of the expanded food and nutrition education program by 1862 Institutions and 1890 Institutions in a State.

[(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out the expanded food and nutrition education program established under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), and this section \$90,000,000 for each of fiscal years 2009 through 2018.]

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Subtitle E—Animal Health and Disease Research

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SEC. 1433. CONTINUING ANIMAL HEALTH AND DISEASE, FOOD SECURITY, AND STEWARDSHIP RESEARCH, EDUCATION, AND EXTENSION PROGRAMS.

(a) **CAPACITY AND INFRASTRUCTURE PROGRAM.**—

(1) **IN GENERAL.**—In each State with one or more accredited colleges of veterinary medicine, the deans of the accredited college or colleges and the director of the State agricultural experiment station shall develop a comprehensive animal health and disease research program for the State based on the animal health research capacity of each eligible institution in the State, which shall be submitted to the Secretary for approval and shall be used for the allocation of funds available to the State under this section.

(2) **USE OF FUNDS.**—An eligible institution allocated funds to carry out animal health and disease research under this section may only use such funds—

(A) to meet the expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the Act of March 4, 1940 (7 U.S.C. 331);

(B) for administrative planning and direction; and

(C) to purchase equipment and supplies necessary for conducting research described in subparagraph (A).

(3) **COOPERATION AMONG ELIGIBLE INSTITUTIONS.**—The Secretary, to the maximum extent practicable, shall encourage eligible institutions to cooperate in setting research priorities under this section through conducting regular regional and national meetings.

(b) **COMPETITIVE GRANT PROGRAM.**—

(1) **IN GENERAL.**—The Secretary, for purposes of addressing the critical needs of animal agriculture, shall award competitive grants to eligible entities under which such eligible entities—

- (A) conduct research—
- (i) to promote food security, such as by—
 - (I) improving feed efficiency;
 - (II) improving energetic efficiency;
 - (III) connecting genomics, proteomics, metabolomics and related phenomena to animal production;
 - (IV) improving reproductive efficiency; and
 - (V) enhancing pre- and post-harvest food safety systems; and
 - (ii) on the relationship between animal and human health, such as by—
 - (I) exploring new approaches for vaccine development;
 - (II) understanding and controlling zoonosis, including its impact on food safety;
 - (III) improving animal health through feed; and
 - (IV) enhancing product quality and nutritive value; and
- (B) develop and disseminate to the public tools and information based on the research conducted under subparagraph (A) and sound science.
- (2) ELIGIBLE ENTITIES.—An entity eligible to receive a grant under this subsection is any of the following:
- (A) A State cooperative institution.
 - (B) An NLGCA Institution.
- (3) ADMINISTRATION.—In carrying out this subsection, the Secretary shall establish procedures—
- (A) to seek and accept proposals for grants;
 - (B) to review and determine the relevance and merit of proposals, in consultation with representatives of the animal agriculture industry;
 - (C) to provide a scientific peer review of each proposal conducted by a panel of subject matter experts from Federal agencies, academic institutions, State animal health agencies, and the animal agriculture industry; and
 - (D) to award competitive grants on the basis of merit, quality, and relevance.
- (c) FUNDING.—
- (1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2014 through **[2018]** 2023.
 - (2) RESERVATION OF FUNDS.—The Secretary shall reserve not less than \$5,000,000 of the funds made available under paragraph (1) to carry out the capacity and infrastructure program under subsection (a).
 - (3) INITIAL APPORTIONMENT.—The amounts made available under paragraph (1) that are remaining after the reservation of funds under paragraph (2), shall be apportioned as follows:
 - (A) 15 percent of such amounts shall be used to carry out the capacity and infrastructure program under subsection (a).
 - (B) 85 percent of such funds shall be used to carry out the competitive grant program under subsection (b).

(4) ADDITIONAL APPORTIONMENT.—The funds reserved under paragraph (2) and apportioned under paragraph (3)(A) to carry out the capacity and infrastructure program under subsection (a) shall be apportioned as follows:

(A) Four percent shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.

(B) 48 percent shall be distributed among the several States in the proportion that the value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in each State bears to the total value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in all the States. The Secretary shall determine the total value of and income from domestic livestock, poultry, and commercial aquaculture species in all the States and the proportionate value of and income from domestic livestock, poultry, and commercial aquaculture species for each State, based on the most current inventory of all cattle, sheep, swine, horses, poultry, and commercial aquaculture species published by the Department of Agriculture.

(C) 48 percent shall be distributed among the several States in the proportion that the animal health research capacity of the eligible institutions in each State bears to the total animal health research capacity in all the States. The Secretary shall determine the animal health research capacity of the eligible institutions.

(5) SPECIAL RULES FOR APPORTIONMENT OF CERTAIN FUNDS.—With respect to funds reserved under paragraph (2) and apportioned under paragraph (3)(A) to carry out the capacity and infrastructure program under subsection (a), the following shall apply:

(A) When the amount available under this section for allotment to any State on the basis of domestic livestock, poultry, and commercial aquaculture species values and incomes exceeds the amount for which the eligible institution or institutions in the State are eligible on the basis of animal health research capacity, the excess may be used, at the discretion of the Secretary, for remodeling of facilities, construction of new facilities, or increase in staffing, proportionate to the need for added research capacity.

(B) Whenever a new college of veterinary medicine is established in a State and is accredited, the Secretary, after consultation with the dean of such college and the director of the State agricultural experiment station and where applicable, deans of other accredited colleges in the State, shall provide for the reallocation of funds available to the State pursuant to paragraph (4) between the new college and other eligible institutions in the State, based on the animal health research capacity of each eligible institution.

(C) Whenever two or more States jointly establish an accredited regional college of veterinary medicine or jointly support an accredited college of veterinary medicine serving the States involved, the Secretary is authorized to make funds which are available to such States pursuant to

paragraph (4) available for such college in such amount that reflects the combined relative value of, and income from, domestic livestock, poultry, and commercial aquaculture species in the cooperating States, such amount to be adjusted, as necessary, pursuant to subsection (a)(1) and subparagraph (B).

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Subtitle G—1890 Land-Grant College Funding

SEC. 1444. EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are hereby authorized to be appropriated annually such sums as Congress may determine necessary to support continuing agricultural and forestry extension at colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee University (hereinafter in this section referred to as “eligible institutions”).

(2) MINIMUM AMOUNT.—Beginning with fiscal year 2003, there shall be appropriated under this section for each fiscal year an amount that is not less than 20 percent of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and related acts pertaining to cooperative extension work at the land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), except that for the purpose of this calculation, the total appropriations shall not include amounts made available under section 3(d) of that Act (7 U.S.C. 343(d)).

(3) USES.—Funds appropriated under this section shall be used for expenses of conducting extension programs and activities, and for contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 30–40, as amended; 7 U.S.C. 331).

[(4) CARRYOVER.—No more than 20 per centum of the funds received by an institution in any fiscal year may be carried forward to the succeeding fiscal year.]

(b) Beginning with the fiscal year ending September 30, 1979—

(1) any funds annually appropriated under this section up to the amount appropriated for the fiscal year ending September 30, 1978, pursuant to section 3(d) of the Act of May 8, 1914, as amended, for eligible institutions, shall be allocated among the eligible institutions in the same proportion as funds appropriated under section 3(d) of the Act of May 8, 1914, as amended, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions; and

(2) any funds appropriated annually under this section in excess of an amount equal to the amount appropriated under section 3(d) of the Act of May 8, 1914, for the fiscal year ending September 30, 1978, for eligible institutions, shall be distributed as follows:

(A) A sum equal to 4 per centum of the total amount appropriated each fiscal year under this section shall be allotted to the National Institute of Food and Agriculture of

the Department of Agriculture for administrative, technical, and other services, and for coordinating the extension work of the Department of Agriculture and the several States.

(B) Of the remainder, 20 per centum shall be allotted among the eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated.

In computing the distribution of funds allocated under paragraph (2) of this subsection, the allotments to Tuskegee University and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.

(c) The State director of the cooperative extension service and the extension administrator at the eligible institution in each State where an eligible institution is located shall jointly develop, by mutual agreement, a comprehensive program of extension for such State to be submitted for approval by the Secretary within one year after the date of enactment of this title and each five years thereafter.

(d) ASCERTAINMENT OF ENTITLEMENT TO FUNDS; TIME AND MANNER OF PAYMENT; STATE REPORTING REQUIREMENTS; PLANS OF WORK.—

(1) ASCERTAINMENT OF ENTITLEMENT.—On or about the first day of October in each year after enactment of this title, the Secretary shall ascertain whether each eligible institution is entitled to receive its share of the annual appropriation for extension work under this section and the amount which it is entitled to receive. Before the funds herein provided shall become available to any eligible institution for any fiscal year, plans for the work to be carried out under this section shall be submitted, as part of the State plan of work, and approved by the Secretary.

(2) TIME AND MANNER OF PAYMENT; RELATED REPORTS.—The amount to which an eligible institution is entitled shall be paid in equal quarterly payments on or about October 1, January 1, April 1, and July 1 of each year to the treasurer or other officer of the eligible institution duly authorized to receive such payments and such officer shall be required to report to the Secretary on or about the first day of December of each year a detailed statement of the amount so received during the previous fiscal year and its disbursement, on forms prescribed by the Secretary.

(3) REQUIREMENTS RELATED TO PLAN OF WORK.—Each plan of work for an eligible institution required under this section shall contain descriptions of the following:

【(A) The critical short-term, intermediate, and long-term agricultural issues in the State in which the eligible institution is located and the current and planned extension programs and projects targeted to address the issues.

【(B) The process established to consult with extension users regarding the identification of critical agricultural issues in the State and the development of extension programs and projects targeted to address the issues.

【(C) The efforts made to identify and collaborate with other colleges and universities within the State, and within other States, that have a unique capacity to address the identified agricultural issues in the State and the extent of current and emerging efforts (including regional extension efforts) to work with those other institutions.

【(D) The manner in which research and extension, including research and extension activities funded other than through formula funds, will cooperate to address the critical issues in the State, including the activities to be carried out separately, the activities to be carried out sequentially, and the activities to be carried out jointly.

【(E) The education and outreach programs already underway to convey currently available research results that are pertinent to a critical agricultural issue, including efforts to encourage multicounty cooperation in the dissemination of research results.】

(A) *A summary of planned projects or programs in the State using formula funds.*

(B) *A description of matching funds provided by the State with respect to the previous fiscal year.*

(4) EXTENSION PROTOCOLS.—

(A) IN GENERAL.—The Secretary shall develop protocols to be used to evaluate the success of multistate, multi-institutional, and multidisciplinary extension activities and joint research and extension activities in addressing critical agricultural issues identified in the plans of work submitted under this section.

(B) CONSULTATION.—The Secretary shall develop the protocols in consultation with the Advisory Board and land-grant colleges and universities.

(5) TREATMENT OF PLANS OF WORK FOR OTHER PURPOSES.—To the maximum extent practicable, the Secretary shall consider a plan of work submitted under this section to satisfy other appropriate Federal reporting requirements.

(6) RELATIONSHIP TO AUDITS.—*Notwithstanding any other provision of law, the procedures established pursuant to paragraph (3) shall not be subject to audit to determine the sufficiency of such procedures.*

(e) If any portion of the moneys received by any eligible institution for the support and maintenance of extension work as provided in this section shall by any action or contingency be diminished or lost or be misapplied, it shall be replaced by such institution and until so replaced no subsequent appropriation shall be apportioned

or paid to such institution. No portion of such moneys shall be applied, directly or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or in college course teaching, lectures in college, or any other purpose not specified in this section. It shall be the duty of such institution, annually, on or about the first day of January, to make to the Governor of the State in which it is located a full and detailed report of its operations in extension work, including a detailed statement of receipts and expenditures from all sources for this purpose, a copy of which report shall be sent to the Secretary.

(f) To the extent that the official mail consists of correspondence, bulletins, and reports for furtherance of the purposes of this section, it shall be transmitted in the mails of the United States. Such items may be mailed from a principal place of business of each eligible institution or from an established subunit of such institution.

SEC. 1445. AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) **AUTHORIZATION OF APPROPRIATIONS.—**

(1) **IN GENERAL.—**There are hereby authorized to be appropriated annually such sums as Congress may determine necessary to support continuing agricultural research at colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including Tuskegee University (hereinafter referred to in this section as “eligible institutions”).

(2) **MINIMUM AMOUNT.—**Beginning with fiscal year 2003, there shall be appropriated under this section for each fiscal year an amount that is not less than 30 percent of the total appropriations for the fiscal year under section 3 of the Hatch Act of 1887 (7 U.S.C. 361c).

(3) **USES.—**Funds appropriated under this section shall be used for expenses of conducting agricultural research, printing, disseminating the results of such research, contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39–40, as amended; 7 U.S.C. 331), administrative planning and direction, and purchase and rental of land and the construction, acquisition, alteration, or repair of buildings necessary for conducting agricultural research.

(4) **COORDINATION.—**The eligible institutions are authorized to plan and conduct agricultural research in cooperation with each other and such agencies, institutions, and individuals as may contribute to the solution of agricultural problems, and moneys appropriated pursuant to this section shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

(5) **CARRYOVER.—**

(A) **IN GENERAL.—**The balance of any annual funds provided to an eligible institution for a fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

(B) **FAILURE TO EXPEND FULL AMOUNT.—**

(i) **IN GENERAL.—**If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the

unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution.

(ii) REDISTRIBUTION.—Federal funds that are deducted under clause (i) for a fiscal year shall be redistributed by the Secretary in accordance with the formula set forth in subsection (b)(2)(B) to those eligible institutions for which no deduction under clause (i) has been taken for that fiscal year.

(b) Beginning with the fiscal year ending September 30, 1979, the funds appropriated in each fiscal year under this section shall be distributed as follows:

(1) Three per centum shall be available to the Secretary for administration of this section. These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.

(2) The remainder shall be allotted among the eligible institutions as follows:

(A) Funds up to the total amount made available to all eligible institutions in the fiscal year ending September 30, 1978, under section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), shall be allocated among the eligible institutions in the same proportion as funds made available under section 2 of the Act of August 4, 1965, for the fiscal year ending September 30, 1978, are allocated among the eligible institutions.

(B) Of funds in excess of the amount allocated under subparagraph (A) of this paragraph, 20 per centum shall be allotted among eligible institutions in equal proportions; 40 per centum shall be allotted among the eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated; and the balance shall be allotted among the eligible institutions in the proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located, as determined by the last preceding decennial census current at the time each such additional sum is first appropriated. In computing the distribution of funds allocated under this subparagraph, the allotments to Tuskegee University and Alabama Agricultural and Mechanical University shall be determined as if each institution were in a separate State.

(c) PROGRAM AND PLANS OF WORK.—

(1) INITIAL COMPREHENSIVE PROGRAM OF AGRICULTURAL RESEARCH.—The director of the State agricultural experiment station in each State where an eligible institution is located and the research director specified in subsection (d) of this section in each of the eligible institutions in such State shall jointly develop, by mutual agreement, a comprehensive program of agricultural research in such State, to be submitted for approval

by the Secretary within one year after the date of enactment of this title.

(2) **PLAN OF WORK REQUIRED.**—Before funds may be provided to an eligible institution under this section for any fiscal year, a plan of work to be carried out under this section shall be submitted by the research director specified in subsection (d) and shall be approved by the Secretary.

(3) **REQUIREMENTS RELATED TO PLAN OF WORK.**—Each plan of work required under paragraph (2) shall contain descriptions of the following:

【(A) The critical short-term, intermediate, and long-term agricultural issues in the State in which the eligible institution is located and the current and planned research programs and projects targeted to address the issues.

【(B) The process established to consult with users of agricultural research regarding the identification of critical agricultural issues in the State and the development of research programs and projects targeted to address the issues.

【(C) Other colleges and universities within the State, and within other States, that have a unique capacity to address the identified agricultural issues in the State.

【(D) The current and emerging efforts to work with those other institutions to build on each other's experience and take advantage of each institution's unique capacities.

【(E) The manner in which research and extension, including research and extension activities funded other than through formula funds, will cooperate to address the critical issues in the State, including the activities to be carried out separately, the activities to be carried out sequentially, and the activities to be carried out jointly.】

(A) *A summary of planned projects or programs in the State using formula funds.*

(B) *A description of matching funds provided by the State with respect to the previous fiscal year.*

(4) **RESEARCH PROTOCOLS.**—

(A) **IN GENERAL.**—The Secretary shall develop protocols to be used to evaluate the success of multistate, multi-institutional, and multidisciplinary research activities and joint research and extension activities in addressing critical agricultural issues identified in the plans of work submitted under paragraph (2).

(B) **CONSULTATION.**—The Secretary shall develop the protocols in consultation with the Advisory Board and land-grant colleges and universities.

(5) **TREATMENT OF PLANS OF WORK FOR OTHER PURPOSES.**—To the maximum extent practicable, the Secretary shall consider a plan of work submitted under paragraph (2) to satisfy other appropriate Federal reporting requirements.

(6) **RELATIONSHIP TO AUDITS.**—*Notwithstanding any other provision of law, the procedures established pursuant to paragraph (3) shall not be subject to audit to determine the sufficiency of such procedures.*

(d) Sums available for allotment to the eligible institutions under the terms of this section shall be paid to such institutions in equal

quarterly payments beginning on or about the first day of October of each year upon vouchers approved by the Secretary. The President of each eligible institution shall appoint a research director who shall be responsible for administration of the program authorized herein. Each eligible institution shall designate a treasurer or other officer who shall receive and account for all funds allotted to such institution under the provisions of this section and shall report, with the approval of the chief administrative officer, to the Secretary on or before the first day of December of each year a detailed statement of the amount received under the provisions of this section during the preceding fiscal year and its disbursement on schedules prescribed by the Secretary. If any portion of the allotted moneys received by any eligible institution shall by any action or contingency be diminished, lost, or misapplied, it shall be replaced by such institution and until so replaced no subsequent appropriation shall be allotted or paid to such institution. Funds made available to eligible institutions shall not be used for payment of negotiated overhead or indirect cost rates.

(e) Bulletins, reports, periodicals, reprints or articles, and other publications necessary for the dissemination of results of the research and experiments funded under this section including lists of publications available for distribution by the eligible institutions, shall be transmitted in the mails of the United States. Such publications may be mailed from the principal place of business of each eligible institution or from an established subunit of such institution.

(f) The Secretary shall be responsible for the proper administration of this section, and is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its provisions. It shall be the duty of the Secretary to furnish such advice and assistance as will best promote the purposes of this section, including participation in coordination of research initiated under this section by the eligible institutions, from time to time to indicate such lines of inquiry as to the Secretary seem most important, and to encourage and assist in the establishment and maintenance of cooperation by and between the several eligible institutions, the State agricultural experiment stations, and between them and the Department of Agriculture.

(g) On or before the first day of October in each year after the enactment of this title, the Secretary shall ascertain whether each eligible institution is entitled to receive its share of the annual appropriations under this section and the amount which thereupon each is entitled, respectively, to receive.

(h) Nothing in this section shall be construed to impair or modify the legal relationship existing between any of the eligible institutions and the government of the States in which they are respectively located.

SEC. 1446. SCHOLARSHIPS FOR STUDENTS AT 1890 INSTITUTIONS.

(a) *IN GENERAL.*—

(1) *SCHOLARSHIP GRANT PROGRAM ESTABLISHED.*—*The Secretary shall establish and carry out a grant program to make grants to each college or university eligible to receive funds under the Act of August 30, 1890 (commonly known as the Second Morrill Act; 7 U.S.C. 322 et seq.), including Tuskegee Uni-*

versity, for purposes of awarding scholarships to individuals who—

(A) have been accepted for admission at such college or university;

(B) will be enrolled at such college or university not later than one year after the date of such acceptance; and

(C) intend to pursue a career in the food and agricultural sciences, including a career in—

(i) agribusiness;

(ii) energy and renewable fuels; or

(iii) financial management.

(2) AMOUNT OF GRANT.—Each grant made under this section shall be in the amount of \$1,000,000.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$19,000,000 for each of fiscal years 2019 through 2023.

SEC. 1447. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) PURPOSE.—It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890, including Tuskegee University (hereafter referred to in this section as “eligible institutions”) in the acquisition and improvement of agricultural and food sciences facilities and equipment, including libraries, so that the eligible institutions may participate fully in the production of human capital.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Agriculture for the purposes of carrying out the provisions of this section, \$25,000,000 for each of fiscal years 2002 through [2018] 2023, and such sums shall remain available until expended.

(c) USE OF GRANT FUNDS.—Four percent of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to eligible institutions for the purpose of assisting them in the purchase of equipment and land, the planning, construction, alteration, or renovation of buildings to strengthen their capacity in the production of human capital in the food and agricultural sciences and can be used at the discretion of the eligible institutions in the areas of research, extension, and resident instruction or any combination thereof.

(d) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) PROHIBITION OF CERTAIN USES.—Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

(f) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.

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SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AND EQUIPMENT AND SUPPORT TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH AT INSULAR AREA LAND-GRANT COLLEGES AND UNIVERSITIES.

(a) **PURPOSE.**—It is the intent of Congress to assist the land-grant colleges and universities in the insular areas in efforts to—

(1) acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research; and

(2) support tropical and subtropical agricultural research, including pest and disease research.

(b) **METHOD OF AWARDING GRANTS.**—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary determines necessary to carry out the purposes of this section.

(c) **REGULATIONS.**—The Secretary may promulgate such rules and regulations as the Secretary considers to be necessary to carry out this section.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$8,000,000 for each of fiscal years 2008 through [2018] 2023.

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Subtitle H—Programs for Hispanic-Serving Institutions

SEC. 1455. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

(a) **GRANT AUTHORITY.**—The Secretary may make competitive grants to Hispanic-serving institutions for the purpose of promoting and strengthening the ability of Hispanic-serving institutions to carry out education, applied research, and related community development programs.

(b) **USE OF GRANT FUNDS.**—Grants made under this section shall be used—

(1) to support the activities of Hispanic-serving institutions to enhance educational equity for underrepresented students;

(2) to strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

(3) to attract and support undergraduate and graduate students from underrepresented groups in order to prepare them for careers related to the food, agricultural, and natural resource systems of the United States, beginning with the mentoring of students at the high school level and continuing with the provision of financial support for students through their attainment of a doctoral degree; and

(4) to facilitate cooperative initiatives between 2 or more Hispanic-serving institutions, or between Hispanic-serving institutions and units of State government or the private sector, to maximize the development and use of resources, such as fac-

ulty, facilities, and equipment, to improve food and agricultural sciences teaching programs.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to make grants under this section \$40,000,000 for each of fiscal years 1997 through ~~2018~~ 2023.

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Subtitle I—International Research, Extension, and Teaching

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SEC. 1459A. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

(a) COMPETITIVE GRANTS AUTHORIZED.—The Secretary may make competitive grants to colleges and universities in order to strengthen United States economic competitiveness and to promote international market development.

(b) PURPOSE OF GRANTS.—Grants under this section shall be directed to agricultural research, extension, and teaching activities that will—

(1) enhance the international content of the curricula in colleges and universities so as to ensure that United States students acquire an understanding of the international dimensions and trade implications of their studies;

(2) ensure that United States scientists, extension agents, and educators involved in agricultural research and development activities outside of the United States have the opportunity to convey the implications of their activities and findings to their peers and students in the United States and to the users of agricultural research, extension, and teaching;

(3) enhance the capabilities of colleges and universities to do collaborative research with other countries, in cooperation with other Federal agencies, on issues relevant to United States agricultural competitiveness;

(4) enhance the capabilities of colleges and universities to provide cooperative extension education to promote the application of new technology developed in foreign countries to United States agriculture; and

(5) enhance the capability of United States colleges and universities, in cooperation with other Federal agencies, to provide leadership and educational programs that will assist United States natural resources and food production, processing, and distribution businesses and industries to compete internationally, including product market identification, international policies limiting or enhancing market production, development of new or enhancement of existing markets, and production efficiencies.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

(2) \$5,000,000 for each of fiscal years 2014 through [2018] 2023.

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Subtitle K—Funding and Miscellaneous Provisions

SEC. 1462. LIMITATION ON INDIRECT COSTS FOR AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION PROGRAMS.

(a) **IN GENERAL.**—Except as otherwise provided in law, indirect costs charged against any agricultural research, education, or extension grant awarded under this Act or any other Act pursuant to authority delegated to the Under Secretary of Agriculture for Research, Education, and Economics shall not exceed [22 percent] 30 percent of the total Federal funds provided under the grant award, as determined by the Secretary.

(b) **EXCEPTION.**—[Subsection (a)] *Subsections (a) and (c)* shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 638).

(c) **TREATMENT OF SUBGRANTS.**—*In the case of a grant described in subsection (a), the limitation on indirect costs specified in such subsection shall be applied to both the initial grant award and any subgrant of the Federal funds provided under the initial grant award so that the total of all indirect costs charged against the total of the Federal funds provided under the initial grant award does not exceed such limitation.*

SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

(a) **IN GENERAL.**—*The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions.*

(b) **MAXIMUM AMOUNT.**—*The amount of a grant made to an eligible institution under this section may not exceed \$500,000.*

(c) **PROHIBITION ON CHARGE OR EQUIPMENT AS INDIRECT COSTS.**—*The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—*

(1) *charged as an indirect cost against another Federal grant;*

or

(2) *included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.*

(d) **ELIGIBLE INSTITUTIONS DEFINED.**—*In this section, the term “eligible institution” means—*

(1) *a college or university; or*

(2) *a State cooperative institution.*

(e) **AUTHORIZATION OF APPROPRIATIONS.**—*There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2019 through 2023.*

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1463. (a) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the provisions of this title, except sections 1417, 1420, and the competitive grants program

provided for in section 1414, and except that the authorization for moneys provided under the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), is excluded and is provided for in subsection (b) of this section, such sums as may be necessary for each of fiscal years 1991 through [2018] 2023.

(b) Notwithstanding any authorization for appropriations for agricultural research at State agricultural experiment stations in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purpose of conducting agricultural research at State agricultural experiment stations pursuant to the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), such sums as may be necessary for each of fiscal years 1991 through [2018] 2023.

(c) Notwithstanding any other provision of law effective beginning October 1, 1983, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887, commonly known as the Hatch Act (7 U.S.C. 361a et seq.); the cooperative forestry research program provided for under the Act of October 10, 1962, commonly known as the McIntire-Stennis Act (16 U.S.C. 582a et seq.); the special and competitive grants programs provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i); the animal health research program provided for under sections 1433(a) and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178 et seq.); and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for research at State agricultural experiment stations pursuant to the provision of the Act of March 2, 1887.

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION

SEC. 1464. Notwithstanding any authorization for appropriations for the Cooperative Extension Service in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the extension programs of the Department of Agriculture such sums as may be necessary for each of fiscal years 1991 through [2018] 2023.

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SUPPLEMENTAL AND ALTERNATIVE CROPS

SEC. 1473D. (a) Notwithstanding any other provision of law, during the period beginning October 1, 1986, and ending September 30, [2018] 2023, the Secretary shall develop and implement a research project for the development of supplemental and alternative [crops,] *crops (including canola)*, using such funds as are appropriated to the Secretary each fiscal year under this title.

(b) The development of supplemental and alternative crops for *agronomic rotational purposes and for use as a habitat for honey bees and other pollinators* is of critical importance to producers of agricultural [commodities whose livelihood is threatened by the decline in demand experienced with respect to certain of their crops

due to changes in consumption patterns or other related causes.】
commodities.

(c)(1) The Secretary shall make competitive grants to further the purposes of this section in the implementation of a comprehensive and integrated program.

(2) The program developed and implemented by the Secretary shall include—

(A) an examination of the adaptation of supplemental and alternative crops;

(B) the establishment and extension of various methods of planting, cultivating, harvesting, and processing supplemental and alternative crops;

(C) the transfer of such applied research to on-farm practice as soon as practicable;

(D) the establishment through grants, cooperative agreements, or other means of such processing, storage, and transportation facilities for supplemental and alternative crops as the Secretary determines will facilitate the achievement of a successful program; and

(E) the application of such other resources and expertise as the Secretary considers appropriate to support the program.

(3) The program may include, but shall not be limited to, agreements, grants, and other arrangements—

(A) to conduct comprehensive resource and infrastructure assessments;

(B) to develop and introduce supplemental and alternative income-producing crops;

(C) to develop and expand domestic and export markets for such crops;

(D) to provide technical assistance to farm owners and operators, marketing cooperative, and others;

(E) to conduct fundamental and applied research related to the development of new commercial products derived from natural plant material for industrial, medical, and agricultural applications; and

(F) to participate with colleges and universities, other Federal agencies, and private sector entities in conducting research described in subparagraph (E).

(d) The Secretary shall use the expertise and resources of the Agricultural Research Service, the National Institute of Food and Agriculture, and the land-grant colleges and universities for the purpose of carrying out this section.

(e) There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for fiscal year 2013; and

(2) \$1,000,000 for each of fiscal years 2014 through 【2018】
 2023.

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SEC. 1473F. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall make competitive grants to NLGCA Institutions to assist the NLGCA Institutions in maintaining and expanding the capacity of the NLGCA

Institutions to conduct education, research, and outreach activities relating to—

- (A) agriculture;
- (B) renewable resources; and
- (C) other similar disciplines.

(2) USE OF FUNDS.—An NLGCA Institution that receives a grant under paragraph (1) may use the funds made available through the grant to maintain and expand the capacity of the NLGCA Institution—

(A) to successfully compete for funds from Federal grants and other sources to carry out educational, research, and outreach activities that address priority concerns of national, regional, State, and local interest;

(B) to disseminate information relating to priority concerns to—

- (i) interested members of the agriculture, renewable resources, and other relevant communities;
- (ii) the public; and
- (iii) any other interested entity;

(C) to encourage members of the agriculture, renewable resources, and other relevant communities to participate in priority education, research, and outreach activities by providing matching funding to leverage grant funds; and

(D) through—

- (i) the purchase or other acquisition of equipment and other infrastructure (not including alteration, repair, renovation, or construction of buildings);
- (ii) the professional growth and development of the faculty of the NLGCA Institution; and
- (iii) the development of graduate assistantships.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2008 through [2018] 2023.

[SEC. 1473G. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

[(a) FELLOWSHIP PROGRAM.—

[(1) IN GENERAL.—The Secretary shall establish a fellowship program, to be known as the “Borlaug International Agricultural Science and Technology Fellowship Program,” to provide fellowships for scientific training and study in the United States to individuals from eligible countries (as described in subsection (b)) who specialize in agricultural education, research, and extension.

[(2) PROGRAMS.—The Secretary shall carry out the fellowship program by implementing 3 programs designed to assist individual fellowship recipients, including—

[(A) a graduate studies program in agriculture to assist individuals who participate in graduate agricultural degree training at a United States institution;

[(B) an individual career improvement program to assist agricultural scientists from developing countries in upgrading skills and understanding in agricultural science and technology; and

[(C) a Borlaug agricultural policy executive leadership course to assist senior agricultural policy makers from eli-

gible countries, with an initial focus on individuals from sub-Saharan Africa and the independent states of the former Soviet Union.

[(b) ELIGIBLE COUNTRIES.—An eligible country is a developing country, as determined by the Secretary using a gross national income per capita test selected by the Secretary.

[(c) PURPOSE OF FELLOWSHIPS.—A fellowship provided under this section shall—

[(1) promote food security and economic growth in eligible countries by—

[(A) educating a new generation of agricultural scientists;

[(B) increasing scientific knowledge and collaborative research to improve agricultural productivity; and

[(C) extending that knowledge to users and intermediaries in the marketplace; and

[(2) shall support—

[(A) training and collaborative research opportunities through exchanges for entry level international agricultural research scientists, faculty, and policymakers from eligible countries;

[(B) collaborative research to improve agricultural productivity;

[(C) the transfer of new science and agricultural technologies to strengthen agricultural practice; and

[(D) the reduction of barriers to technology adoption.

[(d) FELLOWSHIP RECIPIENTS.—

[(1) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under this section to individuals from eligible countries who specialize or have experience in agricultural education, research, extension, or related fields, including—

[(A) individuals from the public and private sectors; and

[(B) private agricultural producers.

[(2) CANDIDATE IDENTIFICATION.—The Secretary shall use the expertise of United States land-grant colleges and universities and similar universities, international organizations working in agricultural research and outreach, and national agricultural research organizations to help identify program candidates for fellowships under this section from the public and private sectors of eligible countries.

[(e) USE OF FELLOWSHIPS.—A fellowship provided under this section shall be used—

[(1) to promote collaborative programs among agricultural professionals of eligible countries, agricultural professionals of the United States, the international agricultural research system, and, as appropriate, United States entities conducting research; and

[(2) to support fellowship recipients through programs described in subsection (a)(2).

[(f) PROGRAM IMPLEMENTATION.—The Secretary shall provide for the management, coordination, evaluation, and monitoring of the Borlaug International Agricultural Science and Technology Fellowship Program and for the individual programs described in subsection (a)(2), except that the Secretary may contract out to 1 or

more collaborating universities the management of 1 or more of the fellowship programs.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.]

SEC. 1473G. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

(a) **FELLOWSHIP PROGRAM.**—

(1) **ESTABLISHMENT.**—*The Secretary shall establish a fellowship program, to be known as the “Borlaug International Agricultural Science and Technology Fellowship Program”.*

(2) **FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.**—*As part of the fellowship program, the Secretary shall provide fellowships to individuals from eligible countries as described in subsection (b) who specialize in agricultural education, research, and extension for scientific training and study designed to assist individual fellowship recipients, including the following 3 programs:*

(A) *A graduate studies program in agriculture to assist individuals who participate in graduate agricultural degree training at a United States institution.*

(B) *An individual career improvement program to assist agricultural scientists from developing countries in upgrading skills and understanding in agricultural science and technology.*

(C) *A Borlaug agricultural policy executive leadership course to assist senior agricultural policy makers from eligible countries, with an initial focus on individuals from sub-Saharan Africa and the independent states of the former Soviet Union.*

(3) **FELLOWSHIPS TO UNITED STATES CITIZENS.**—*As part of the fellowship program, the Secretary shall provide fellowships to citizens of the United States to assist eligible countries in developing school-based agricultural education and youth extension programs.*

(b) **ELIGIBLE COUNTRY DESCRIBED.**—*For purposes of this section, an eligible country is a developing country, as determined by the Secretary using a gross national income per capita test selected by the Secretary.*

(c) **PURPOSE OF FELLOWSHIPS.**—

(1) **FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.**—*A fellowship provided under subsection (a)(2) shall—*

(A) *promote food security and economic growth in eligible countries by—*

(i) *educating a new generation of agricultural scientists;*

(ii) *increasing scientific knowledge and collaborative research to improve agricultural productivity; and*

(iii) *extending that knowledge to users and intermediaries in the marketplace; and*

(B) *support—*

(i) *training and collaborative research opportunities through exchanges for entry level international agricultural research scientists, faculty, and policymakers from eligible countries;*

(ii) collaborative research to improve agricultural productivity;

(iii) the transfer of new science and agricultural technologies to strengthen agricultural practice; and

(iv) the reduction of barriers to technology adoption.

(2) FELLOWSHIPS TO UNITED STATES CITIZENS.—A fellowship provided under subsection (a)(3) shall—

(A) develop globally minded United States agriculturists with experience living abroad;

(B) focus on meeting the food and fiber needs of the domestic population of eligible countries; and

(C) strengthen and enhance trade linkages between eligible countries and the United States agricultural industry.

(d) FELLOWSHIP RECIPIENTS.—

(1) FELLOWSHIPS TO INDIVIDUALS FROM ELIGIBLE COUNTRIES.—

(A) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under subsection (a)(2) to individuals from eligible countries who specialize or have experience in agricultural education, research, extension, or related fields, including—

(i) individuals from the public and private sectors; and

(ii) private agricultural producers.

(B) CANDIDATE IDENTIFICATION.—For fellowships under subsection (a)(2), the Secretary shall use the expertise of United States land-grant colleges and universities and similar universities, international organizations working in agricultural research and outreach, and national agricultural research organizations to help identify program candidates for fellowships from the public and private sectors of eligible countries.

(C) LOCATION OF TRAINING.—The scientific training or study of fellowship recipients under subsection (a)(2) shall occur—

(i) in the United States; or

(ii) at a college or university located in an eligible country that the Secretary determines—

(I) has sufficient scientific and technical facilities;

(II) has established a partnership with at least one college or university in the United States; and

(III) has substantial participation by faculty members of the United States college or university in the design of the fellowship curriculum and classroom instruction under the fellowship.

(2) FELLOWSHIPS TO UNITED STATES CITIZENS.—

(A) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under subsection (a)(3) to citizens of the United States who—

(i) hold at least a bachelors degree in an agricultural related field of study; and

(ii) have an understanding of United States school-based agricultural education and youth extension programs, as determined by the Secretary.

(B) *CANDIDATE IDENTIFICATION.*—For fellowships under subsection (a)(3), the Secretary shall consult with the National FFA Organization, the National 4-H Council, and other entities as the Secretary deems appropriate to identify candidates for fellowships.

(e) *PROGRAM IMPLEMENTATION.*—The Secretary shall provide for the management, coordination, evaluation, and monitoring of the Borlaug International Agricultural Science and Technology Fellowship Program and for the individual programs described in subsection (a), except that—

(1) the Secretary may contract out to 1 or more collaborating universities the management of 1 or more of the fellowship programs under subsection (a)(2); and

(2) the Secretary may contract out the management of the fellowship program under subsection (a)(3) to an outside organization with experience in implementing fellowship programs focused on building capacity for school-based agricultural education and youth extension programs in developing countries.

(f) *AUTHORIZATION OF APPROPRIATIONS.*—

(1) *IN GENERAL.*—There are authorized to be appropriated \$6,000,000 to carry out this section.

(2) *SET-ASIDES.*—Of any funds made available pursuant to paragraph (1), not less than \$2,800,000 shall be used to carry out the fellowship program for individuals from eligible countries under subsection (a)(2).

(3) *DURATION.*—Any funds made available pursuant to paragraph (1) shall remain available until expended.

Subtitle L—Aquaculture

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SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.

(a) *IN GENERAL.*—There are authorized to be appropriated to carry out this subtitle—

(1) \$7,500,000 for each of fiscal years 1991 through 2013; and

(2) \$5,000,000 for each of fiscal years 2014 through **2018** 2023.

(b) *PROHIBITION ON USE.*—Funds made available under this section may not be used to acquire or construct a building.

Subtitle M—Rangeland Research

* * * * *

APPROPRIATIONS

SEC. 1483. (a) There are authorized to be appropriated, to implement the provisions of this subtitle—

(1) \$10,000,000 for each of fiscal years 1991 through 2013; and

(2) \$2,000,000 for each of fiscal years 2014 through **2018** 2023.

(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or institutions.

Subtitle N—Biosecurity

SEC. 1484. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response—

(1) such sums as are necessary for each of fiscal years 2002 through 2013; [and]

(2) \$20,000,000 for each of fiscal years 2014 through 2018[.]; and

(3) \$30,000,000 for each of fiscal years 2019 through 2023.

(b) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall use funds made available under this section to carry out agricultural research, education, and extension activities (including through competitive grants and cooperative agreements) for the following:

(1) To reduce the vulnerability of the United States food and agricultural system to chemical or biological attack.

(2) To continue partnerships with institutions of higher education and other institutions to help form stable, long-term programs to enhance the biosecurity of the United States, including the coordination of the development, implementation, and enhancement of diverse capabilities for addressing threats to the Nation’s agricultural economy and food supply with special emphasis on planning, training, outreach, and research activities related to vulnerability analyses, incident response, and detection and prevention technologies.

(3) To [make competitive grants] award competitive grants and cooperative agreements to universities and qualified research institutions for research on counterbioterrorism.

(4) To counter or otherwise respond to chemical or biological attack.

(5) To coordinate the tactical science activities of the Research, Education, and Economics mission area of the Department that protect the integrity, reliability, sustainability, and profitability of the food and agricultural system of the United States against biosecurity threats from pests, diseases, contaminants, and disasters.

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Subtitle O—Institutions of Higher Education in Insular Areas

* * * * *

SEC. 1490. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

(a) IN GENERAL.—The Secretary may make competitive grants to eligible institutions in insular areas to strengthen the capacity of such institutions to carry out distance food and agricultural education programs using digital network technologies.

(b) USE.—Grants made under this section shall be used—

(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or enhance technology skills in order to use technology in the classroom or instructional process;

(4) to implement a joint project to provide education regarding technology in the classroom with a local educational agency, community-based organization, national nonprofit organization, or business; or

(5) to provide leadership development to administrators, board members, and faculty of eligible institutions with institutional responsibility for technology education.

(c) **LIMITATION ON USE OF GRANT FUNDS.**—Funds provided under this section shall not be used for the planning, acquisition, construction, rehabilitation, or repair of a building or facility.

(d) **ADMINISTRATION OF PROGRAM.**—The Secretary may carry out this section in a manner that recognizes the different needs and opportunities for eligible institutions in the Atlantic and Pacific Oceans.

(e) **MATCHING REQUIREMENT.**—

(1) **IN GENERAL.**—The Secretary may establish a requirement that an eligible institution receiving a grant under this section shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the grant.

(2) **WAIVERS.**—If the Secretary establishes a matching requirement under paragraph (1), the Secretary shall retain an option to waive the requirement for an eligible institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section—

(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

(2) \$2,000,000 for each of fiscal years 2014 through [2018] 2023.

SEC. 1491. RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.

(a) **IN GENERAL.**—The Secretary of Agriculture shall make competitive grants to eligible institutions to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need in the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more insular area eligible institutions, or between those institutions and units of State Government or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(b) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (a), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this section are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

(2) \$2,000,000 for each of fiscal years 2014 through [2018] 2023.

Subtitle P—General Provisions

SEC. 1492. MATCHING FUNDS REQUIREMENT.

(a) IN GENERAL.—The recipient of a competitive grant that is awarded by the Secretary under a covered law shall provide funds, in-kind contributions, or a combination of both, from sources other than funds provided through such grant in an amount that is at least equal to the amount of such grant.

(b) EXCEPTION.—The matching funds requirement under subsection (a) shall not apply to grants awarded—

(1) to a research agency of the Department of Agriculture; or

(2) to an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C))), including a partner of such entity.

(c) WAIVER.—The Secretary may waive the matching funds requirement under subsection (a) for a year with respect to a competitive grant that involves research or extension activities that are consistent with the priorities established by the National Agricultural Research, Extension, Education, and Economics Advisory Board under section 1408(c)(1)(B) for the year involved.

(d) COVERED LAW.—In this section, the term “covered law” means each of the following provisions of law:

(1) This title.

(2) Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801 et seq.).

(3) The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601 et seq.).

(4) Part III of subtitle E of title VII of the Food, Conservation, and Energy Act of 2008.

[(5) The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).]

FOOD AND NUTRITION ACT OF 2008

* * * * *

DEFINITIONS

SEC. 3. As used in this Act, the term:

(a) “Access device” means any card, plate, code, account number, or other means of access, including point of sale devices, that can be used, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or that can be used to initiate a transfer of funds under this Act.

(b) “Allotment” means the total value of benefits a household is authorized to receive during each month.

(c) “Allowable medical expenses” means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident or income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.

(d) **BENEFIT.**—The term “benefit” means the value of supplemental nutrition assistance provided to a household by means of—

(1) an electronic benefit transfer under section [(7(i))] 7(h); or

(2) other means of providing assistance, as determined by the Secretary.

(e) **BENEFIT ISSUER.**—The term “benefit issuer” means any office of the State agency or any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated functional responsibility in connection with, the issuance of benefits to households.

(f) “Certification period” means the period for which households shall be eligible to receive benefits. The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each cer-

tified household every 12 months. The limits specified in this subsection may be extended until the end of any transitional benefit period established under section 11(s).

(g) “Coupon” means any coupon, stamp, type of certificate, authorization card, cash or check issued in lieu of a coupon.

(h) “Drug addiction or alcoholic treatment and rehabilitation program” means any such program conducted by a private nonprofit organization or institution, or a publicly operated community mental health center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) to provide treatment that can lead to the rehabilitation of drug addicts or alcoholics.

(i) EBT CARD.—The term “EBT card” means an electronic benefit transfer card issued under section **[7(i)]** 7(h).

(j) “Elderly or disabled member” means a member of a household who—

(1) is sixty years of age or older;

(2)(A) receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or Federally or State administered supplemental benefits of the type described in section 212(a) of Public Law 93–66 (42 U.S.C. 1382 note), or

(B) receives Federally or State administered supplemental assistance of the type described in section 1616(a) of the Social Security Act (42 U.S.C. 1382e(a)), interim assistance pending receipt of supplemental security income, disability-related medical assistance under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), or disability-based State general assistance benefits, if the Secretary determines that such benefits are conditioned on meeting disability or blindness criteria at least as stringent as those used under title XVI of the Social Security Act;

(3) receives disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or receives disability retirement benefits from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i));

(4) is a veteran who—

(A) has a service-connected or non-service-connected disability which is rated as total under title 38, United States Code; or

(B) is considered in need of regular aid and attendance or permanently housebound under such title;

(5) is a surviving spouse of a veteran and—

(A) is considered in need of regular aid and attendance or permanently housebound under title 38, United States Code; or

(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i));

(6) is a child of a veteran and—

(A) is considered permanently incapable of self-support under section 414 of title 38, United States Code; or

(B) is entitled to compensation for a service-connected death or pension benefits for a non-service-connected death under title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)); or

(7) is an individual receiving an annuity under section 2(a)(1)(iv) or 2(a)(1)(v) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individual's service as an employee under the Railroad Retirement Act of 1974, after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act, and if an application for disability benefits had been filed.

(k) "Food" means (1) any food or food product for home consumption except alcoholic beverages, tobacco, hot foods or hot food products ready for immediate consumption other than those authorized pursuant to clauses (3), (4), (5), (7), (8), and (9) of this subsection, and any deposit fee in excess of the amount of the State fee reimbursement (if any) required to purchase any food or food product contained in a returnable bottle or can, regardless of whether the fee is included in the shelf price posted for the food or food product, (2) seeds and plants for use in gardens to produce food for the personal consumption of the eligible household, (3) in the case of those persons who are sixty years of age or over or who receive supplemental security income benefits or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act, and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices subject to section 9(h), and meals prepared for and served to residents of federally subsidized housing for the elderly, (4) in the case of persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices subject to section 9(h), (5) in the case of narcotics addicts or alcoholics, and their children, served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs, (6) in the case of certain eligible households living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter, and not firearms, ammunition, and explosives) if the Secretary determines that such households are located in an area of the State where it is extremely difficult to reach stores selling food and that such households depend to a substantial extent upon hunting and fishing for subsistence, (7) in the case of disabled or blind recipients of benefits under title I, II, X, XIV, or XVI of the Social Security Act, and individuals described in paragraphs (2) through (7) of subsection (j), who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the

appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section, meals prepared and served under such arrangement, (8) in the case of women and children temporarily residing in public or private non-profit shelters for battered women and children, meals prepared and served, by such shelters, and (9) in the case of households that do not reside in permanent dwellings and households that have no fixed mailing addresses, meals prepared for and served by a public or private nonprofit establishment (approved by an appropriate State or local agency) that feeds such individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices subject to section 9(h).

(l) "Homeless individual" means—

(1) an individual who lacks a fixed and regular nighttime residence; or

(2) an individual who has a primary nighttime residence that is—

(A) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

(C) a temporary accommodation for not more than 90 days in the residence of another individual; or

(D) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(m)(1) "Household" means—

(A) an individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from the others; or

(B) a group of individuals who live together and customarily purchase food and prepare meals together for home consumption.

(2) Spouses who live together, parents and their children 21 years of age or younger who live together, and children (excluding foster children) under 18 years of age who live with and are under the parental control of a person other than their parent together with the person exercising parental control shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so.

(3) Notwithstanding paragraphs (1) and (2), an individual who lives with others, who is sixty years of age or older, and who is unable to purchase food and prepare meals because such individual suffers, as certified by a licensed physician, from a disability which would be considered a permanent disability under section 221(i) of the Social Security Act (42 U.S.C. 421(i)) or from a severe, permanent, and disabling physical or mental infirmity which is not symptomatic of a disease shall be considered, together with any of the others who is the spouse of such individual, an individual household, without regard to the purchase of food and preparation of meals, if the income (as determined under section 5(d)) of the oth-

ers, excluding the spouse, does not exceed the poverty line, as described in section 5(c)(1), by more than 65 per centum.

(4) In no event shall any individual or group of individuals constitute a household if they reside in an institution or boarding house, or else live with others and pay compensation to the others for meals.

(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

(A) Residents of federally subsidized housing for the elderly, disabled or blind recipients of benefits under title I, II, X, XIV, or XVI of the Social Security Act.

(B) Individuals described in paragraphs (2) through (7) of subsection (j), who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under that section.

(C) Temporary residents of public or private nonprofit shelters for battered women and children.

(D) Residents of public or private nonprofit shelters for individuals who do not reside in permanent dwellings or have no fixed mailing addresses, who are otherwise eligible for benefits.

(E) Narcotics addicts or alcoholics, together with their children, who live under the supervision of a private nonprofit institution, or a publicly operated community mental health center, for the purpose of regular participation in a drug or alcoholic treatment program.

(n) "Reservation" means the geographically defined area or areas over which a tribal organization exercises governmental jurisdiction.

(o) "Retail food store" means—

(1) an establishment **[or house-to-house trade route]**, *house-to-house trade route*, or *online entity* that sells food for home preparation and consumption and—

(A) offers for sale, on a continuous basis, a variety of at least 7 foods in each of the 4 categories of staple foods specified in subsection **[(r)(1)] (q)(1)**, including perishable foods in at least 3 of the categories; or

(B) has over 50 percent of the total sales of the establishment or route in staple foods, as determined by visual inspection, sales records, purchase records, counting of stockkeeping units, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry;

(2) an establishment, organization, program, or group living arrangement referred to in paragraphs (3), (4), (5), (7), (8), and (9) of subsection (k);

(3) a store purveying the hunting and fishing equipment described in subsection (k)(6);

(4) any private nonprofit cooperative food purchasing venture, including those in which the members pay for food purchased prior to the receipt of such food, or agricultural pro-

ducers who market agricultural products directly to consumers; and

(5) a governmental or private nonprofit food purchasing and delivery service that—

(A) purchases food for, and delivers the food to, individuals who are—

(i) unable to shop for food; and

(ii)(I) not less than 60 years of age; or

(II) physically or mentally handicapped or otherwise disabled;

(B) clearly notifies the participating household at the time the household places a food order—

(i) of any delivery fee associated with the food purchase and delivery provided to the household by the service; and

(ii) that a delivery fee cannot be paid with benefits provided under supplemental nutrition assistance program; and

(C) sells food purchased for the household at the price paid by the service for the food and without any additional cost markup.

(p) “Secretary” means the Secretary of Agriculture.

(q)(1) Except as provided in paragraph (2), “staple foods” means foods in the following categories:

(A) Meat, poultry, or fish.

(B) Bread or cereals.

(C) Vegetables or fruits.

(D) Dairy products.

(2) “Staple foods” do not include accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices.

(r) “State” means the fifty States, the District of Columbia, Guam, the Virgin Islands of the United States, and the reservations of an Indian tribe whose tribal organization meets the requirements of this Act for participation as a State agency.

(s) “State agency” means (1) the agency of State government, including the local offices thereof, which has the responsibility for the administration of the federally aided public assistance programs within such State, and in those States where such assistance programs are operated on a decentralized basis, the term shall include the counterpart local agencies administering such programs, and (2) the tribal organization of an Indian tribe determined by the Secretary to be capable of effectively administering a food distribution program under section 4(b) of this Act or a supplemental nutrition assistance program under section 11(d) of this Act.

(t) “Supplemental nutrition assistance program” means the program operated pursuant to this Act.

(u) “Thrifty food plan” means the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty, a child six through eight, and a child nine through eleven years of age, determined in accordance with the Secretary’s calculations. *By 2022 and at 5-year intervals thereafter, the Secretary shall re-evaluate and publish the market baskets of the thrifty food plan based on current food prices, food composition data, and consumption patterns.* The cost of such diet shall be the basis for uniform

allotments for all households regardless of their actual composition, except that the Secretary shall—

(1) make household-size adjustments (based on the unrounded cost of such diet) taking into account economies of scale;

(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska;

(3) make cost adjustments in the separate thrifty food plans for Guam, and the Virgin Islands of the United States to reflect the cost of food in those States, but not to exceed the cost of food in the fifty States and the District of Columbia; and

(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996, and except that on October 1, 2003, in the case of households residing in Alaska and Hawaii the Secretary may not reduce the cost of such diet in effect on September 30, 2002.

(v) “Tribal organization” means the recognized governing body of an Indian tribe (including the tribally recognized intertribal organization of such tribes), as the term “Indian tribe” is defined in the Indian Self-Determination Act (25 U.S.C. 450b(b)), as well as any Indian tribe, band, or community holding a treaty with a State government.

ESTABLISHMENT OF THE SUPPLEMENTAL NUTRITION ASSISTANCE
PROGRAM

SEC. 4. (a) Subject to the availability of funds appropriated under section 18 of this Act, the Secretary is authorized to formulate and administer a supplemental nutrition assistance program under which, at the request of the State agency, eligible households within the State shall be provided an opportunity to obtain a more nutritious diet through the issuance to them of an allotment, except that a State may not participate in the supplemental nutrition assistance program if the Secretary determines that State or local sales taxes are collected within that State on purchases of food made with benefits issued under this Act. The benefits so received by such households shall be used only to purchase food from retail food stores which have been approved for participation in the supplemental nutrition assistance program. Benefits issued and used as provided in this Act shall be redeemable at face value by the Secretary through the facilities of the Treasury of the United States.

(b) FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.—

(1) IN GENERAL.—Distribution of commodities, with or without the supplemental nutrition assistance program, shall be made whenever a request for concurrent or separate food program operations, respectively, is made by a tribal organization.

(2) ADMINISTRATION.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the event of distribution on all or part of an Indian reservation, the appropriate agency of the State government

in the area involved shall be responsible for the distribution.

(B) ADMINISTRATION BY TRIBAL ORGANIZATION.—If the Secretary determines that a tribal organization is capable of effectively and efficiently administering a distribution described in paragraph (1), then the tribal organization shall administer the distribution.

(C) PROHIBITION.—The Secretary shall not approve any plan for a distribution described in paragraph (1) that permits any household on any Indian reservation to participate simultaneously in the supplemental nutrition assistance program and the program established under this subsection.

(3) DISQUALIFIED PARTICIPANTS.—An individual who is disqualified from participation in the food distribution program on Indian reservations under this subsection is not eligible to participate in the supplemental nutrition assistance program under this Act for a period of time to be determined by the Secretary.

(4) ADMINISTRATIVE COSTS.—The Secretary is authorized to pay such amounts for administrative costs and distribution costs on Indian reservations as the Secretary finds necessary for effective administration of such distribution by a State agency or tribal organization.

(5) BISON MEAT.—Subject to the availability of appropriations to carry out this paragraph, the Secretary may purchase bison meat for recipients of food distributed under this subsection, including bison meat from—

- (A) Native American bison producers; and
- (B) producer-owned cooperatives of bison ranchers.

(6) TRADITIONAL AND **LOCALLY-GROWN** *LOCALLY- AND REGIONALLY-GROWN* FOOD FUND.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall establish a fund for use in purchasing traditional and **locally-grown** *locally- and regionally-grown* foods for recipients of food distributed under this subsection.

(B) NATIVE AMERICAN PRODUCERS.—Where practicable, of the food provided under subparagraph (A), at least 50 percent shall be produced by Native American farmers, ranchers, and producers.

(C) DEFINITION OF TRADITIONAL AND **LOCALLY GROWN** *LOCALLY- AND REGIONALLY-GROWN*.—The Secretary shall determine the definition of the term “traditional and **locally-grown** *locally- and regionally-grown*” with respect to food distributed under this paragraph.

(D) SURVEY.—In carrying out this paragraph, the Secretary shall—

(i) survey participants of the food distribution program on Indian reservations established under this subsection to determine which traditional foods are most desired by those participants; and

(ii) purchase or offer to purchase those traditional foods that may be procured cost-effectively.

[(E) REPORT.—Not later than 1 year after the date of enactment of this paragraph, and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the activities carried out under this paragraph during the preceding calendar year.]

(D) PURCHASE OF FOODS.—*In carrying out this paragraph, the Secretary shall purchase or offer to purchase those traditional foods that may be procured cost-effectively.*

[(F)] (E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this paragraph \$5,000,000 for each of fiscal years 2008 through **[2018] 2023**.

(7) FUNDS AVAILABILITY.—*Funds made available for a fiscal year to carry out this subsection shall remain available for obligation for a period of 2 fiscal years.*

(c) The Secretary shall issue such regulations consistent with this Act as the Secretary deems necessary or appropriate for the effective and efficient administration of the supplemental nutrition assistance program and shall promulgate all such regulations in accordance with the procedures set forth in section 553 of title 5 of the United States Code. In addition, prior to issuing any regulation, the Secretary shall provide the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the regulation with a detailed statement justifying it.

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Participation in the supplemental nutrition assistance program shall be limited to those households whose incomes and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Notwithstanding any other provisions of this Act except subsections (b), (d)(2), (g), **[and (r)] and (p)** of section 6 **[and section 3(n)(4), households]** and section 3(m)(4), households in which each member **[receives benefits]** (1) receives cash assistance or ongoing and substantial services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), **[supplemental security]** with an income eligibility limit of not more than 130 percent of the poverty line as defined in section 5(c)(1), (2) is elderly or disabled and receives cash assistance or ongoing and substantial services under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) with an income eligibility limit of not more than 200 percent of the poverty line as defined in section 5(c)(1), (3) receives supplemental security income benefits under title XVI of the Social Security Act, **[or aid]** or (4) receives aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act, shall be eligible to participate in the supplemental nutrition assistance program. Except for sections 6, 16(e)(1), **[and section 3(n)(4), households]** and section 3(m)(4), households in which each member receives benefits under a State or local general assistance program that complies with standards established by the Secretary for en-

sure that the program is based on income criteria comparable to or more restrictive than those under subsection (c)(2), and not limited to one-time emergency payments that cannot be provided for more than one consecutive month, shall be eligible to participate in the supplemental nutrition assistance program. Assistance under this program shall be furnished to all eligible households who make application for such participation.

(b) **ELIGIBILITY STANDARDS.**—Except as otherwise provided in this Act, the Secretary shall establish uniform national standards of eligibility (other than the income standards for Alaska, Hawaii, Guam, and the Virgin Islands of the United States established in accordance with subsections (c) and (e) of this section) for participation by households in the supplemental nutrition assistance program in accordance with the provisions of this section. No plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary, and no State agency shall impose any other standards of eligibility as a condition for participating in the program.

(c) The income standards of eligibility shall be adjusted each October 1 and shall provide that a household shall be ineligible to participate in the supplemental nutrition assistance program if—

(1) the household's income (after the exclusions and deductions provided for in subsections (d) and (e)) exceeds the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively; and

(2) in the case of a household that does not include an elderly or disabled member, the household's income (after the exclusions provided for in subsection (d) but before the deductions provided for in subsection (e)) exceeds such poverty line by more than 30 per centum.

In no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States.

(d) **EXCLUSIONS FROM INCOME.**—Household income for purposes of the supplemental nutrition assistance program shall include all income from whatever source excluding only—

(1) any gain or benefit which is not in the form of money payable directly to a household (notwithstanding its conversion in whole or in part to direct payments to households pursuant to any demonstration project carried out or authorized under Federal law including demonstration projects created by the waiver of provisions of Federal law), except as provided in subsection (k);

(2) any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 in a quarter, subject to modification by the Secretary in light of subsection (f);

(3) all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like—

(A) awarded to a household member enrolled at a recognized institution of post-secondary education, at a school

for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof;

(B) to the extent that they do not exceed the amount used for or made available as an allowance determined by such school, institution, program, or other grantor, for tuition and mandatory fees (including the rental or purchase of any equipment, materials, and supplies related to the pursuit of the course of study involved), books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses), of the student incidental to attending such school, institution, or program; and

(C) to the extent loans include any origination fees and insurance premiums;

(4) all loans other than educational loans on which repayment is deferred;

(5) reimbursements which do not exceed expenses actually incurred and which do not represent a gain or benefit to the household and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes (except that no such allowance shall be excluded if the State agency reduces monthly assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the month for which the allowance is provided): *Provided*, That no portion of benefits provided under title IV-A of the Social Security Act, to the extent it is attributable to an adjustment for work-related or child care expenses (except for payments or reimbursements for such expenses made under an employment, education, or training program initiated under such title after the date of enactment of the Hunger Prevention Act of 1988), and no portion of any educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like that are provided for living expenses, shall be considered such reimbursement;

(6) moneys received and used for the care and maintenance of a third-party beneficiary who is not a household member, and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments;

(7) income earned by a child who is a member of the household, who is an elementary or secondary school student, and who is 17 years of age or younger;

(8) moneys received in the form of nonrecurring lump-sum payments, including, but not limited to, income tax refunds, rebates, or credits, cash donations based on need that are received from one or more private nonprofit charitable organizations, but not in excess of \$300 in the aggregate in a quarter, retroactive lump-sum social security or railroad retirement pension payments and retroactive lump-sum insurance settlements: *Provided*, That such payments shall be counted as resources, unless specifically excluded by other laws;

(9) the cost of producing self-employed income, but household income that otherwise is included under this subsection shall be reduced by the extent that the cost of producing self-employment income exceeds the income derived from self-employment as a farmer;

(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the supplemental nutrition assistance program except as otherwise provided in subsection (k) of this section;

(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law (other than part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); or

(B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device;

(12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the supplemental nutrition assistance program or received an allotment in the month immediately preceding the first month in which the adjustment was effective;

(13) any payment made to the household under section 3507 of the Internal Revenue Code of 1986 (relating to advance payment of earned income credit);

(14) any payment made to the household under section ~~6(d)(4)(I)~~ 6(d)(4)(G) or a pilot project under section 16(h)(1)(F) for work related expenses or for dependent care;

(15) any amounts necessary for the fulfillment of a plan for achieving self-support of a household member as provided under subparagraph (A)(iii) or (B)(iv) of section 1612(b)(4) of the Social Security Act (42 U.S.C. 1382a(b)(4));

(16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1);

(18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C.

1396u-1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels; **[and]**

(19) any additional payment under chapter 5 of title 37, United States Code, or otherwise designated by the Secretary to be appropriate for exclusion under this paragraph, that is received by or from a member of the United States Armed Forces deployed to a designated combat zone, if the additional pay—

(A) is the result of deployment to or service in a combat zone; and

(B) was not received immediately prior to serving in a combat zone~~[\.]~~; and

(20) *the value of an allowance received under section 403 of title 37 of the United States Code that does not exceed \$500 monthly.*

(e) DEDUCTIONS FROM INCOME.—

(1) STANDARD DEDUCTION.—

(A) IN GENERAL.—

(i) DEDUCTION.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, and the Virgin Islands of the United States in an amount that is—

(I) equal to 8.31 percent of the income standard of eligibility established under subsection (c)(1); but

(II) not more than 8.31 percent of the income standard of eligibility established under subsection (c)(1) for a household of 6 members.

(ii) MINIMUM AMOUNT.—Notwithstanding clause (i), the standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, and the Virgin Islands of the United States shall be not less than—

(I) for fiscal year 2009, \$144, \$246, \$203, and \$127, respectively; and

(II) for fiscal year 2010 and each fiscal year thereafter, an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes for the 12-month period ending on the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.

(B) GUAM.—

(i) **IN GENERAL.**—The Secretary shall allow a standard deduction for each household in Guam in an amount that is—

(I) equal to 8.31 percent of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

(II) not more than 8.31 percent of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia for a household of 6 members.

(ii) **MINIMUM AMOUNT.**—Notwithstanding clause (i), the standard deduction for each household in Guam shall be not less than—

(I) for fiscal year 2009, \$289; and

(II) for fiscal year 2010 and each fiscal year thereafter, an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes for the 12-month period ending on the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.

(C) **REQUIREMENT.**—Each adjustment under subparagraphs (A)(ii)(II) and (B)(ii)(II) shall be based on the unrounded amount for the prior 12-month period.

(2) **EARNED INCOME DEDUCTION.**—

[(A) **DEFINITION OF EARNED INCOME.**—In this paragraph, the term “earned income” does not include—

[(i) income excluded by subsection (d); or

[(ii) any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance.]]

(A) **DEFINITION OF EARNED INCOME.**—*In this paragraph, the term “earned income” does not include income excluded by subsection (d).*

(B) **DEDUCTION.**—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of [20] 22 percent of all earned income to compensate for taxes, other mandatory deductions from salary, and work expenses.

(C) **EXCEPTION.**—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

(3) **DEPENDENT CARE DEDUCTION.**—

(A) **IN GENERAL.**—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

- (i) expenses paid on behalf of the household by a third party;
- (ii) amounts made available and excluded, for the expenses referred to in subparagraph (A), under subsection (d)(3); and
- (iii) expenses that are paid under section 6(d)(4) or a pilot project under section 16(h)(1)(F).

[(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

[(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

[(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).]

[(5) (4) EXCESS MEDICAL EXPENSE DEDUCTION.—

(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds \$35 per month.

(B) METHOD OF CLAIMING DEDUCTION.—

- (i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information on, or verification of, actual expenses on a monthly basis.
- (ii) METHOD.—The method described in clause (i) shall—

(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

(C) EXCLUSION OF MEDICAL MARIJUANA.—The Secretary shall promulgate rules to ensure that medical marijuana is not treated as a medical expense for purposes of this paragraph.

[(6)] (5) EXCESS SHELTER EXPENSE DEDUCTION.—

(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed, *except that for a household that receives the allowance under section 403 of title 37, United States Code, only the expenses in excess of that allowance shall be counted towards a household's expenses for the calculation of the excess shelter deduction.*

(B) MAXIMUM AMOUNT OF DEDUCTION.—In the case of a household that does not contain an elderly or disabled individual, in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, the excess shelter expense deduction shall not exceed—

(i) for the period beginning on the date of enactment of this subparagraph and ending on December 31, 1996, \$247, \$429, \$353, \$300, and \$182 per month, respectively;

(ii) for the period beginning on January 1, 1997, and ending on September 30, 1998, \$250, \$434, \$357, \$304, and \$184 per month, respectively;

(iii) for fiscal year 1999, \$275, \$478, \$393, \$334, and \$203 per month, respectively;

(iv) for fiscal year 2000, \$280, \$483, \$398, \$339, and \$208 per month, respectively;

(v) for fiscal year 2001, \$340, \$543, \$458, \$399, and \$268 per month, respectively; and

(vi) for fiscal year 2002 and each subsequent fiscal year, the applicable amount during the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(C) STANDARD UTILITY ALLOWANCE.—

(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, subject to clause (iv), except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

(I) does not incur a heating or cooling expense, as the case may be;

(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with re-

gard to the expense, only for excess utility costs;
or

(III) shares the expense with, and lives with, another individual not participating in the supplemental nutrition assistance program, another household participating in the supplemental nutrition assistance program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

(iii) MANDATORY ALLOWANCE.—

(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

(bb) the Secretary finds (without regard to subclause (III)) that the standards will not result in an increased cost to the Secretary.

(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).

(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating and cooling costs, the standard utility allowance shall be made available to households *with an elderly member* that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such a payment, or such a payment was made on behalf of the household, that was greater than \$20 annually, as determined by the Secretary.

(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of clause (ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

(IV) PRORATION OF ASSISTANCE.—For the purpose of the supplemental nutrition assistance program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.

(D) HOMELESS HOUSEHOLDS.—

[(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of \$143 per month.]

(i) ALTERNATIVE DEDUCTION.—*The State agency shall allow a deduction of \$143 a month for households—*

(I) *in which all members are homeless individuals;*

(II) *that are not receiving free shelter throughout the month; and*

(III) *that do not opt to claim an excess shelter expense deduction under subparagraph (A).*

(ii) ADJUSTMENT.—*For fiscal year 2019 and each subsequent fiscal year the amount of the homeless shelter deduction specified in clause (i) shall be adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.*

[(ii)] (iii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).

(f)(1)(A) Household income for those households that, by contract for other than an hourly or piecework basis or by self-employment, derive their annual income in a period of time shorter than one year shall be calculated by averaging such income over a twelve-month period. Notwithstanding the preceding sentence, household income resulting from the self-employment of a member in a farming operation, who derives income from such farming operation and who has irregular expenses to produce such income, may, at the option of the household, be calculated by averaging such income and expenses over a 12-month period. Notwithstanding the first sentence, if the averaged amount does not accurately reflect the house-

hold's actual monthly circumstances because the household has experienced a substantial increase or decrease in business earnings, the State agency shall calculate the self-employment income based on anticipated earnings.

(B) Household income for those households that receive non-excluded income of the type described in subsection (d)(3) of this section shall be calculated by averaging such income over the period for which it is received.

(C) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next recertification of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

(ii) CHANGES THAT MAY NOT BE DISREGARDED.—
Under clause (i), a State agency may not disregard—
(I) any reported change of residence; or
(II) under standards prescribed by the Secretary, any change in earned income.

(2)(A) Except as provided in subparagraphs (B), (C), and (D), households shall have their incomes calculated on a prospective basis, as provided in paragraph (3)(A), or, at the option of the State agency, on a retrospective basis, as provided in paragraph (3)(B).

(B) In the case of the first month, or at the option of the State, the first and second months, during a continuous period in which a household is certified, the State agency shall determine eligibility and the amount of benefits on the basis of the household's income and other relevant circumstances in such first or second month.

(C) Households specified in clauses (i), (ii), and (iii) of section 6(c)(1)(A) shall have their income calculated on a prospective basis, as provided in paragraph (3)(A).

(D) Except as provided in subparagraph (B), households required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a retrospective basis, as provided in paragraph (3)(B).

(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

(B) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. Such regulations shall provide for supplementing the initial allotments

of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.

(4) In promulgating regulations under this subsection, the Secretary shall consult with the Secretary of Health and Human Services in order to assure that, to the extent feasible and consistent with the purposes of this Act and the Social Security Act, the income of households receiving benefits under this Act and title IV-A of the Social Security Act is calculated on a comparable basis under the two Acts. The Secretary is authorized, upon the request of a State agency, to waive any of the provisions of this subsection (except the provisions of paragraph (2)(A)) to the extent necessary to permit the State agency to calculate income for purposes of this Act on the same basis that income is calculated under title IV-A of the Social Security Act in that State.

(g) ALLOWABLE FINANCIAL RESOURCES.—

(1) TOTAL AMOUNT.—

(A) IN GENERAL.—The Secretary shall prescribe the types and allowable amounts of financial resources (liquid and nonliquid assets) an eligible household may own, and shall, in so doing, assure that a household otherwise eligible to participate in the supplemental nutrition assistance program will not be eligible to participate if its resources exceed ~~[\$2,000]~~ \$7,000 (as adjusted in accordance with subparagraph (B)), or, in the case of a household which consists of or includes an elderly or disabled member, if its resources exceed ~~[\$3,000]~~ \$12,000 (as adjusted in accordance with subparagraph (B)).

(B) ADJUSTMENT FOR INFLATION.—

(i) IN GENERAL.— **[Beginning]**

(I) Beginning on October 1, [2008] 2019, and each October 1 thereafter, the amounts specified in subparagraph (A) shall be adjusted and rounded down to the nearest \$250 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(II) Beginning on October 1, 2019, and each October 1 thereafter, the amount specified in paragraph (2)(B)(iv) shall be adjusted in the manner described in subclause (I).

(III) Beginning on October 1, 2019, and each October 1 thereafter, the amount specified in paragraph (2)(B)(v) shall be adjusted in the manner described in subclause (I).

(ii) REQUIREMENT.—Each adjustment under clause (i) shall be based on the unrounded amount for the prior 12-month period.

(2) INCLUDED ASSETS.—

(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

(i) any boat, snowmobile, or airplane used for recreational purposes;

(ii) any vacation home;

(iii) any mobile home used primarily for vacation purposes;

[(iv) subject to subparagraphs (C) and (D), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds \$4,650;]

(iv) subject to subparagraph (C), with respect to any licensed vehicle that is used for household transportation or to obtain or continue employment—

(I) 1 vehicle for each licensed driver who is a member of such household to the extent that the fair market value of the vehicle exceeds \$12,000; and

(II) each additional vehicle; and

(v) any savings account to the extent that the value exceeds \$2,000, regardless of whether there is a penalty for early withdrawal.

(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

(i) used to produce earned income;

(ii) necessary for the transportation of a physically disabled household member; or

(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.

[(D) ALTERNATIVE VEHICLE ALLOWANCE.—If the vehicle allowance standards that a State agency uses to determine eligibility for assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) would result in a lower attribution of resources to certain households than under subparagraph (B)(iv), in lieu of applying subparagraph (B)(iv), the State agency may elect to apply the State vehicle allowance standards to all households that would incur a lower attribution of resources under the State vehicle allowance standards.]

(3) The Secretary shall exclude from financial resources the value of a burial plot for each member of a household and nonliquid resources necessary to allow the household to carry out a plan for self-sufficiency approved by the State agency that constitutes adequate participation in an employment and training program under section 6(d) or a pilot project under section 16(h)(1)(F). The Secretary shall also exclude from financial resources any earned income tax credits received by any member of the household for a period of 12 months from receipt if such member was participating

in the supplemental nutrition assistance program at the time the credits were received and participated in such program continuously during the 12-month period.

(4) In the case of farm property (including land, equipment, and supplies) that is essential to the self-employment of a household member in a farming operation, the Secretary shall exclude from financial resources the value of such property until the expiration of the 1-year period beginning on the date such member ceases to be self-employed in farming.

(5) The Secretary shall promulgate rules by which State agencies shall develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is relatively slight or because the cost of selling the household's interest would be relatively great. Resources so identified shall be excluded as inaccessible resources. A resource shall be so identified if its sale or other disposition is unlikely to produce any significant amount of funds for the support of the household. The Secretary shall not require the State agency to require verification of the value of a resource to be excluded under this paragraph unless the State agency determines that the information provided by the household is questionable.

(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

(A) IN GENERAL.—Subject to subparagraph (B), a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u-1).

(B) LIMITATIONS.—Except to the extent that any of the types of resources specified in clauses (i) through (iv) are excluded under another paragraph of this subsection, subparagraph (A) does not authorize a State agency to exclude—

(i) cash;

(ii) licensed vehicles;

(iii) amounts in any account in a financial institution that are readily available to the household; or

(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the supplemental nutrition assistance program.

(7) EXCLUSION OF RETIREMENT ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—

(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of—

(i) any funds in a plan, contract, or account, described in sections 401(a), 403(a), 403(b), 408, 408A,

457(b), and 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided in section 8439 of title 5, United States Code; and

(ii) any retirement program or account included in any successor or similar provision that may be enacted and determined to be exempt from tax under the Internal Revenue Code of 1986.

(B) DISCRETIONARY EXCLUSIONS.—The Secretary may exclude from financial resources under this subsection the value of any other retirement plans, contracts, or accounts (as determined by the Secretary).

(8) EXCLUSION OF EDUCATION ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—

(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

(B) DISCRETIONARY EXCLUSIONS.—The Secretary may exclude from financial resources under this subsection the value of any other education programs, contracts, or accounts (as determined by the Secretary).

(h)(1) The Secretary shall, after consultation with the official empowered to exercise the authority provided for by sections 402 and 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), establish temporary emergency standards of eligibility for the duration of the emergency for households who are victims of a disaster which disrupts commercial channels of food distribution, if such households are in need of temporary food assistance and if commercial channels of food distribution have again become available to meet the temporary food needs of such households. Such standards as are prescribed for individual emergencies may be promulgated without regard to section 4(c) of this Act or the procedures set forth in section 553 of title 5 of the United States Code.

(2) The Secretary shall—

(A) establish a Disaster Task Force to assist States in implementing and operating the disaster program and the regular supplemental nutrition assistance program in the disaster area; and

(B) if the Secretary, in the Secretary's discretion, determines that it is cost-effective to send members of the Task Force to the disaster area, the Secretary shall send them to such area as soon as possible after the disaster occurs to provide direct assistance to State and local officials.

(3)(A) The Secretary shall provide, by regulation, for emergency allotments to eligible households to replace food destroyed in a disaster. The regulations shall provide for replacement of the value of food actually lost up to a limit approved by the Secretary not greater than the applicable maximum monthly allotment for the household size.

(B) The Secretary shall adjust issuance methods and reporting and other application requirements to be consistent with what is

practicable under actual conditions in the affected area. In making this adjustment, the Secretary shall consider the availability of the State agency's offices and personnel, any conditions that make reliance on electronic benefit transfer systems described in section 7(h) impracticable, and any damage to or disruption of transportation and communication facilities.

(i)(1) For purposes of determining eligibility for and the amount of benefits under this Act for an individual who is an alien as described in section 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual.

(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

(i) the total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary;

(ii) the amount determined under clause (i) of this subparagraph shall be reduced by an amount equal to the income eligibility standard as determined under section 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor; and

(iii) the monthly income attributed to such alien shall be one-twelfth of the amount calculated under clause (ii) of this subparagraph.

(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien for any year shall be determined as follows:

(i) the total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary;

(ii) the amount determined under clause (i) of this subparagraph shall be reduced by \$1,500; and

(iii) the resources determined under clause (ii) of this subparagraph shall be deemed to be resources of such alien in addition to any resources of such alien.

(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to the alien's sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and docu-

mentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

(D) Any sponsor of an alien, and such alien, shall be jointly and severably liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of section 13(b) of this Act.

(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household or to any alien who is under 18 years of age.

(j) Notwithstanding subsections (a) through (i), a State agency shall consider a household member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.), aid to the aged, blind, or disabled under title I, II, X, XIV, or XVI of such Act (42 U.S.C. 301 et seq.), [or who receives benefits] *cash assistance or ongoing and substantial services* under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.) [to have] *with an income eligibility limit of not more than 130 percent of the poverty line as defined in section 5(c)(1), or who is elderly or disabled and receives cash assistance or ongoing and substantial services under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.) with an income eligibility limit of not more than 200 percent of the poverty line as defined in section 5(c)(1), to have* satisfied the resource limitations prescribed under subsection (g).

(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of—

(A) a regular benefit payable to the household for living expenses under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(B) a benefit payable to the household for housing expenses under—

(i) a State or local general assistance program; or

(ii) another basic assistance program comparable to general assistance (as determined by the Secretary).

(2) Paragraph (1) shall not apply to—

(A) medical assistance;

(B) child care assistance;

(C) a payment or allowance described in subsection (d)(11);

(D) assistance provided by a State or local housing authority;

(E) emergency assistance for migrant or seasonal farm-worker households during the period such households are in the job stream;

(F) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary; or

(G) assistance provided to a third party on behalf of a household under a State or local general assistance program, or another local basic assistance program comparable to general assistance (as determined by the Secretary), if, under State law, no assistance under the program may be provided directly to the household in the form of a cash payment.

(3) For purposes of subsection (d)(1), educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like that are provided to a third party on behalf of a household for living expenses shall be treated as money payable directly to the household.

(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(G)) to provide energy assistance to a household *without an elderly member* shall be considered money payable directly to the household.

(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection [(e)(6)] (e)(5), an expense paid on behalf of a household *with an elderly member* under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.

(1) Notwithstanding section 181(a)(2) of the Workforce Innovation and Opportunity Act, earnings to individuals participating in on-the-job training under title I of such Act shall be considered earned income for purposes of the supplemental nutrition assistance program, except for dependents less than 19 years of age.

(m) SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall establish a procedure by which a State may submit a method, designed to not increase Federal costs, for the approval of the Secretary, that the Secretary determines will produce a reasonable estimate of income excluded under subsection (d)(9) in lieu of calculating the actual cost of producing self-employment income.

(2) INCLUSIVE OF ALL TYPES OF INCOME OR LIMITED TYPES OF INCOME.—The method submitted by a State under paragraph (1) may allow a State to estimate income for all types of self-employment income or may be limited to 1 or more types of self-employment income.

(3) DIFFERENCES FOR DIFFERENT TYPES OF INCOME.—The method submitted by a State under paragraph (1) may differ for different types of self-employment income.

(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS.—[Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the] *The* Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of any legally

obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) concerning payments made in prior months in lieu of obtaining current information from the households.

ELIGIBILITY DISQUALIFICATIONS

SEC. 6. (a) In addition to meeting the standards of eligibility prescribed in section 5 of this Act, households and individuals who are members of eligible households must also meet and comply with the specific requirements of this section to be eligible for participation in the supplemental nutrition assistance program.

(b)(1) Any person who has been found by any State or Federal court or administrative agency to have intentionally (A) made a false or misleading statement, or misrepresented, concealed or withheld facts, or (B) committed any act that constitutes a violation of this Act, the regulations issued thereunder, or any State statute, for the purpose of using, presenting, transferring, acquiring, receiving, or possessing program benefits shall, immediately upon the rendering of such determination, become ineligible for further participation in the program—

(i) for a period of 1 year upon the first occasion of any such determination;

(ii) for a period of 2 years upon—

(I) the second occasion of any such determination; or

(II) the first occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for benefits; and

(iii) permanently upon—

(I) the third occasion of any such determination;

(II) the second occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for benefits;

(III) the first occasion of a finding by a Federal, State, or local court of the trading of firearms, ammunition, or explosives for benefits; or

(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of \$500 or more.

During the period of such ineligibility, no household shall receive increased benefits under this Act as the result of a member of such household having been disqualified under this subsection.

(2) Each State agency shall proceed against an individual alleged to have engaged in such activity either by way of administrative hearings, after notice and an opportunity for a hearing at the State level, or by referring such matters to appropriate authorities for civil or criminal action in a court of law.

(3) Such periods of ineligibility as are provided for in paragraph (1) of this subsection shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the ineligibility is based is subsequently reversed by a court of appro-

appropriate jurisdiction, but in no event shall the period of ineligibility be subject to review.

(4) The Secretary shall prescribe such regulations as the Secretary may deem appropriate to ensure that information concerning any such determination with respect to a specific individual is forwarded to the Office of the Secretary by any appropriate State or Federal entity for the use of the Secretary in administering the provisions of this section. No State shall withhold such information from the Secretary or the Secretary's designee for any reason whatsoever.

(c) Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household shall be eligible to participate in the supplemental nutrition assistance program if it refuses to cooperate in providing information to the State agency that is necessary for making a determination of its eligibility or for completing any subsequent review of its eligibility.

(1)(A) A State agency may require certain categories of households to file periodic reports of income and household circumstances in accordance with standards prescribed by the Secretary, except that a State agency may not require periodic reporting—

(i) for periods shorter than 4 months by migrant or seasonal farmworker households;

(ii) for periods shorter than 4 months by households in which all members are homeless individuals; or

(iii) for periods shorter than 1 year by households that have no earned income and in which all adult members are elderly or disabled.

(B) Each household that is not required to file such periodic reports shall be required to report or cause to be reported to the State agency changes in income or household circumstances that the Secretary considers necessary to assure accurate eligibility and benefit determinations.

(C) A State agency may require periodic reporting on a monthly basis by households residing on a reservation only if—

(i) the State agency reinstates benefits, without requiring a new application, for any household residing on a reservation that submits a report not later than 1 month after the end of the month in which benefits would otherwise be provided;

(ii) the State agency does not delay, reduce, suspend, or terminate the allotment of a household that submits a report not later than 1 month after the end of the month in which the report is due;

(iii) on the date of enactment of this subparagraph, the State agency requires households residing on a reservation to file periodic reports on a monthly basis; and

(iv) the certification period for households residing on a reservation that are required to file periodic reports on a monthly basis is 2 years, unless the State demonstrates just cause to the Secretary for a shorter certification period.

(D) FREQUENCY OF REPORTING.—

(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

(I) not less often than once each 6 months; but

(II) not more often than once each month.

(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the income standard of eligibility established under section 5(c)(2).

(2) Any household required to file a periodic report under paragraph (1) of this subsection shall, (A) if it is eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures that permit the filing of the required information in the event all adult members of the household are mentally or physically handicapped or lacking in reading or writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on State agency designed forms, (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights under section 11(e)(10) of this Act, and (E) be provided each month (or other applicable period) with an appropriate, simple form for making the required reports of the household together with clear instructions explaining how to complete the form and the rights and responsibilities of the household under any periodic reporting system.

(3) Reports required to be filed under paragraph (1) of this subsection shall be considered complete if they contain the information relevant to eligibility and benefit determinations that is specified by the State agency. All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. Reports required to be filed monthly under paragraph (1) shall be the sole reporting requirement for subject matter included in such reports. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Commissioner of Social Security and the Secretary of Health and Human Services, and, wherever feasible, households that receive assistance under title IV-A of the Social Security Act and that are required to file comparable reports under that Act shall be provided the opportunity to file reports at the same time for purposes of both Acts.

(4) Except as provided in paragraph (1)(C), any household that fails to submit periodic reports required by paragraph (1) shall not receive an allotment for the payment period to which the unsubmitted report applies until such report is submitted.

(5) The Secretary is authorized, upon the request of a State agency, to waive any provisions of this subsection (except the provisions of the first sentence of paragraph (1) which relate to households which are not required to file periodic reports) to the extent necessary to permit the State agency to establish periodic reporting requirements for purposes of this Act which are similar to the periodic reporting requirements established under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in that State.

(d) CONDITIONS OF PARTICIPATION.—

(1) WORK REQUIREMENTS.—

(A) DEFINITION OF WORK PROGRAM.—*In this subsection, the term “work program” means—*

(i) *a program under title I of the Workforce Innovation and Opportunity Act;*

(ii) *a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); and*

(iii) *a program of employment and training operated or supervised by a State or political subdivision of a State that meets standards approved by the chief executive officer of the State and the Secretary, other than a program under paragraph (4).*

[(A)] (B) IN GENERAL.—[No] *Subject to subparagraph (C), no physically and mentally fit individual [over the age of 15 and under the age of 60] at least 18 years of age and less than 60 years of age shall be eligible to participate in the supplemental nutrition assistance program if the individual—*

[(i)] *refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;*

[(ii)] *refuses without good cause to participate in an employment and training program established under paragraph (4), to the extent required by the State agency;]*

(i) *without good cause, fails to work or refuses to participate in either an employment and training program established in paragraph (4), a work program, or any combination of work, an employment and training program, or work program—*

(I) *a minimum of 20 hours per week, averaged monthly in fiscal years 2021 through 2025; or*

(II) *a minimum of 25 hours per week, averaged monthly in fiscal years 2026 and each fiscal year thereafter;*

[(iii)] (ii) *refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—*

(I) *the applicable Federal or State minimum wage; or*

(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

[(iv)] (iii) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual; or

[(v)] (iv) voluntarily and without good cause—

(I) quits a job; or

(II) reduces work effort and, after the reduction, the individual is working less than [30 hours per week; or] *the hourly requirements applicable under paragraph (1)(B)(i).*

[(vi) fails to comply with section 20.]

[(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the supplemental nutrition assistance program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the supplemental nutrition assistance program for a period, determined by the State agency, that does not exceed the lesser of—

[(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

[(ii) 180 days.

[(C) DURATION OF INELIGIBILITY.—

[(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the supplemental nutrition assistance program under subparagraph (A), the individual shall remain ineligible until the later of—

[(I) the date the individual becomes eligible under subparagraph (A);

[(II) the date that is 1 month after the date the individual became ineligible; or

[(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

[(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the supplemental nutrition assistance program under subparagraph (A), the individual shall remain ineligible until the later of—

[(I) the date the individual becomes eligible under subparagraph (A);

[(II) the date that is 3 months after the date the individual became ineligible; or

[(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

[(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the supplemental nutrition as-

sistance program under subparagraph (A), the individual shall remain ineligible until the later of—

【(I) the date the individual becomes eligible under subparagraph (A);

【(II) the date that is 6 months after the date the individual became ineligible;

【(III) a date determined by the State agency; or

【(IV) at the option of the State agency, permanently.】

(C) *LIMITATION.*—*Subparagraph (B) shall not apply to an individual during the first month that individual would otherwise become subject to subparagraph (B) and be found in noncompliance with such subparagraph.*

(D) *TRANSITION PERIOD.*—*During each of the fiscal years 2019 and 2020, States shall continue to implement and enforce the work and employment and training program requirements consistent with this subsection, subsection (e), subsection (o) excluding paragraph (6)(F), section 7(i), section 11(e)(19), and section 16 (excluding subparagraphs (A), (B), (D), and (C) of subsection (h)(1)) as those provisions were in effect on the day before the effective date of this subparagraph.*

(E) *INELIGIBILITY.*—

(i) *NOTIFICATION OF FAILURE TO MEET WORK REQUIREMENTS.*—*The State agency shall issue a notice of adverse action to an individual not later than 10 days after the State agency determines that the individual has failed to meet the requirements applicable under subparagraph (B).*

(ii) *FIRST VIOLATION.*—*The 1st time an individual receives a notice of adverse action issued under clause (i), the individual shall remain ineligible to participate in the supplemental nutrition assistance program until—*

(I) *the date that is 12 months after the date the individual became ineligible;*

(II) *the date the individual obtains employment sufficient to meet the hourly requirements applicable under subparagraph (B)(i); or*

(III) *the date that the individual is no longer subject to the requirements of subparagraph (B); whichever is earliest.*

(iii) *SECOND OR SUBSEQUENT VIOLATION.*—*The 2d or subsequent time an individual receives a notice of adverse action issued under clause (i), the individual shall remain ineligible to participate in the supplemental nutrition assistance program until—*

(I) *the date that is 36 months after the date the individual became ineligible;*

(II) *the date the individual obtains employment sufficient to meet the hourly requirements applicable under subparagraph (B)(i); or*

(III) *the date the individual is no longer subject to the requirements of subparagraph (B); whichever is earliest.*

(F) *WAIVER.*—

(i) *IN GENERAL.*—On the request of a State agency, the Secretary may waive the applicability of subparagraph (B) to individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

(I) has an unemployment rate of over 10 percent;

(II) is designated as a Labor Surplus Area by the Employment and Training Administration of the Department of Labor for the current fiscal year based on the criteria for exceptional circumstances as described in section 654.5 of title 20 of the Code of Federal Regulations;

(III) has a 24-month average unemployment rate 20 percent or higher than the national average for the same 24-month period unless the 24-month average unemployment rate of the area is less than 6 percent, except that the 24-month period shall begin no earlier than the 24-month period the Employment and Training Administration of the Department of Labor uses to designate Labor Surplus Areas for the current fiscal year; or

(IV) is in a State—

(aa) that is in an extended benefit period (within the meaning of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970); or

(bb) in which temporary or emergency unemployment compensation is being provided under any Federal law.

(ii) *JURISDICTIONS WITH LIMITED DATA.*—In carrying out clause (i), in the case of a jurisdiction for which Bureau of Labor Statistics unemployment data is limited or unavailable, such as an Indian Reservation or a territory of the United States, a State may support its request based on other economic indicators as determined by the Secretary.

(iii) *LIMIT ON COMBINING JURISDICTIONS.*—In carrying out clause (i), the Secretary may waive the applicability of subparagraph (B) only to a State or individual jurisdictions within a State, except in the case of combined jurisdictions that are designated as Labor Market Areas by the Department of Labor.

(iv) *REPORT.*—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and shall make available to the public, an annual report on the basis for granting a waiver under clause (i).

(G) *15-PERCENT EXEMPTION.*—

(i) *DEFINITIONS.*—In this subparagraph:

(I) *CASELOAD.*—The term “caseload” means the average monthly number of individuals receiving supplemental nutrition assistance program benefits during the 12-month period ending the preceding June 30.

(II) *COVERED INDIVIDUAL.*—The term “covered individual” means a member of a household that receives supplemental nutrition assistance program benefits, or an individual denied eligibility for supplemental nutrition assistance program benefits solely due to the applicability of subparagraph (B), who—

(aa) is not eligible for an exception under paragraph (2);

(bb) does not reside in an area covered by a waiver granted under subparagraph (F); and

(cc) is not complying with subparagraph (B).

(ii) *GENERAL RULE.*—Subject to clauses (iii) through (v), a State agency may provide an exemption from the requirements of subparagraph (B) for covered individuals.

(iii) *FISCAL YEAR 2021 AND THEREAFTER.*—Subject to clauses (iv) and (v), for fiscal year 2021 and each subsequent fiscal year, a State agency may provide a number of exemptions such that the average monthly number of the exemptions in effect during the fiscal year does not exceed 15 percent of the number of covered individuals in the State in fiscal year 2019, as estimated by the Secretary, based on the survey conducted to carry out section 16(c) for the most recent fiscal year and such other factors as the Secretary considers appropriate due to the timing and limitations of the survey.

(iv) *CASELOAD ADJUSTMENTS.*—The Secretary shall adjust the number of individuals estimated for a State under clause (iii) during a fiscal year if the number of members of households that receive supplemental nutrition assistance program benefits in the State varies from the State’s caseload by more than 10 percent, as determined by the Secretary.

(v) *REPORTING REQUIREMENTS.*—

(I) *REPORTS BY STATE AGENCIES.*—A State agency shall submit such reports to the Secretary as the Secretary determines are necessary to ensure compliance with this paragraph.

(II) *ANNUAL REPORT BY THE SECRETARY.*—The Secretary shall annually compile and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and shall make available to the public, an annual report that contains the reports submitted under subclause (I) by State agencies.

(H) *OTHER PROGRAM RULES.*—Nothing in this subsection shall make an individual eligible for benefits under this Act if the individual is not otherwise eligible for benefits under the other provisions of this Act.

[(D)] (I) *ADMINISTRATION.*—

(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

(iii) DETERMINATION BY STATE AGENCY.—

(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

(aa) the meaning of any term used in subparagraph **[(A)] (B)**;

(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph **[(A)] (B)**; and

(cc) whether an individual is in compliance with a requirement under subparagraph **[(A)] (B)**.

(II) NOT LESS RESTRICTIVE.—A State agency may not use a meaning, procedure, or determination under subclause (I) that is less restrictive on individuals receiving benefits under this Act than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph **[(A)(v)] (B)(iv)**, an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

[(v) SELECTING A HEAD OF HOUSEHOLD.—

[(I) IN GENERAL.—For purposes of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the supplemental nutrition assistance program agree to the selection.

[(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the supplemental nutrition assistance program, but may not change the designation during a certification period unless there is a change in the composition of the household.

[(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the supplemental nutrition assistance program under subparagraph (B)—

【(I) the household shall, if otherwise eligible, become eligible to participate in the supplemental nutrition assistance program; and

【(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the supplemental nutrition assistance program for the remaining period of ineligibility.】

(2) A person who otherwise would be required to comply with the requirements of 【paragraph (1)】 *paragraph (1)(B)* of this subsection shall be exempt from such requirements if he or she is (A) currently subject to and complying with a work registration requirement under title IV of the Social Security Act, as amended (42 U.S.C. 602), or the Federal-State unemployment compensation system, in which case, failure by such person to comply with any work requirement to which such person is subject shall be the same as failure to comply with that requirement of paragraph (1); (B) a parent or other member of a household with responsibility for the care of a dependent child under age six or of an incapacitated person; (C) a bona fide student enrolled at least half time in any recognized school, training program, or institution of higher education (except that any such person enrolled in an institution of higher education shall be ineligible to participate in the supplemental nutrition assistance program unless he or she meets the requirements of subsection (e) of this section); (D) a regular participant in a drug addiction or alcoholic treatment and rehabilitation program; 【(E) employed a minimum of thirty hours per week or receiving weekly earnings which equal the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), multiplied by thirty hours; or (F) a person between the ages of sixteen and eighteen who is not a head of a household or who is attending school, or enrolled in an employment training program, on at least a half-time basis. A State that requested a waiver to lower the age specified in subparagraph (B) and had the waiver denied by the Secretary as of August 1, 1996, may, for a period of not more than 3 years, lower the age of a dependent child that qualifies a parent or other member of a household for an exemption under subparagraph (B) to between 1 and 6 years of age.】 *(E) receiving weekly earnings which equal the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), multiplied by the hourly requirement as specified in subparagraph (B); (F) medically certified as mentally or physically unfit for employment; or (G) a pregnant woman.*

(3) Notwithstanding any other provision of law, a household shall not participate in the supplemental nutrition assistance program at any time that any member of such household, not exempt from the work 【registration requirements】 *requirement* of paragraph (1) of this subsection, is on strike as defined in section 501(2) of the Labor Management Relations Act, 1947, because of a labor dispute (other than a lockout) as defined in section 2(9) of the National Labor Relations Act: *Provided*, That a household shall not lose its eligibility to participate in the supplemental nutrition assistance program as a result of one of its members going on strike if the household was eligible immediately prior to such strike, however,

such household shall not receive an increased allotment as the result of a decrease in the income of the striking member or members of the household: *Provided further*, That such ineligibility shall not apply to any household that does not contain a member on strike, if any of its members refuses to accept employment at a plant or site because of a strike or lockout.

(4) EMPLOYMENT AND TRAINING.—

(A) IN GENERAL.—

(i) IMPLEMENTATION.—Each State agency shall implement an employment and training program designed by the State agency and approved by the Secretary for the purpose of assisting members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment.

(ii) MANDATORY MINIMUM SERVICES.—*Each State agency shall offer employment and training program services sufficient for all individuals subject to the requirements of paragraph (1)(B)(i) who are not currently ineligible pursuant to paragraph (1)(E), exempt pursuant to subparagraphs (F) and (G) or paragraph (2) of subsection (d), and for all individuals covered by paragraph (1)(C), to meet the hourly requirements specified in paragraph (1)(B)(i) to the extent that such requirements will not be satisfied by hours of work or participation in a work program.*

[(ii)] (iii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through such a system.

(B) For purposes of this Act, an “employment and training program” means a program that contains *case management services consisting of comprehensive intake assessments, individualized service plans, progress monitoring, and coordination with service providers*, and one or more of the following components, except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:

[(i) Job search programs.]

(i) *Supervised job search programs that occur at State-approved locations in which the activities of participants shall be directly supervised and the timing and activities of participants tracked in accordance with guidelines set forth by the State.*

(ii) Job search training programs that include, to the extent determined appropriate by the State agency, reasonable job search training and support activities that may consist of [jobs skills assessments, job finding clubs, training in techniques for] *employability assessments, training in techniques to increase employability, job placement services, or other direct training or support activities, including educational programs, determined by the State agency to expand the job search abilities or employability of those subject to the program.*

[(iii) Workfare programs operated under section 20.

[(iv)] (iii) Programs designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed or trained under such programs to move promptly into regular public or private employment, *including subsidized employment, apprenticeships, and unpaid or volunteer work that is limited to 6 months out of a 12-month period.* An employment or training experience program established under this clause shall—

(I) not provide any work that has the effect of replacing the employment of an individual not participating in the employment or training experience program; and

(II) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

[(v)] (iv) Educational programs or activities to improve basic skills and literacy, *including family literacy and financial literacy,*, or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program under this paragraph.

[(vi)] (v) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.

[(vii)] (vi) Programs intended to ensure job retention by providing job retention services, if the job retention services are provided for a period of [not more than] 90 days after an individual who received employment and training services under this paragraph gains employment.

[(viii)] (vii) As approved by the Secretary or the State under regulations issued by the Secretary, other employment, educational and training programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose of the employment and training program.

(C) The State agency may provide that participation in an employment and training program may supplement or supplant other employment-related requirements imposed on those subject to the program.

[(D)(i) Each State agency may exempt from any requirement for participation in any program under this paragraph categories of household members.

[(ii) Each State agency may exempt from any requirement for participation individual household members not included in any category designated as exempt under clause (i).

[(iii) Any exemption of a category or individual under this subparagraph shall be periodically evaluated to determine whether the exemption continues to be valid.

[(E) Each State agency shall establish requirements for participation by individuals not exempt under subparagraph (D) in one or more employment and training programs under this paragraph, including the extent to which any individual is required to participate. Such requirements may vary among participants.

[(F)(i) The total hours of work in an employment and training program carried out under this paragraph required of members of a household, together with the hours of work of such members in

any program carried out under section 20, in any month collectively may not exceed a number of hours equal to the household's allotment for such month divided by the higher of the applicable State minimum wage or Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

[(ii) The total hours of participation in such program required of any member of a household, individually, in any month, together with any hours worked in another program carried out under section 20 and any hours worked for compensation (in cash or in kind) in any other capacity, shall not exceed one hundred and twenty hours per month.

[(iii) Any individual voluntarily electing to participate in a program under this paragraph shall not be subject to the limitations described in clauses (i) and (ii).]

(D) *Each State agency shall establish requirements for participation by non-exempt individuals in the employment and training program components listed in clauses (i) through (vii) of subparagraph (B). Such requirements may vary among participants.*

[(G)] (E) The State agency may operate any program component under this paragraph in which individuals elect to participate.

[(H)] (F) Federal funds made available to a State agency for purposes of the component authorized under subparagraph [(B)(v)] (B)(iv) shall not be used to supplant non-Federal funds used for existing services and activities that promote the purposes of this component.

[(I)] (G)(i) The State agency shall provide payments or reimbursements to participants in programs carried out under this paragraph, including individuals participating under subparagraph (G), for—

(I) the actual costs of transportation and other actual costs (other than dependent care costs), that are reasonably necessary and directly related to participation in the program; and

(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the participation of an individual in the program (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in a local area where an employment, training, or education program under title IV of such Act is in operation), except that no such payment or reimbursement shall exceed the applicable local market rate. Individuals subject to the program under this paragraph may not be required to participate if dependent costs exceed the limit established by the State agency under this subclause or other actual costs exceed any limit established under subclause (I).

(ii) In lieu of providing reimbursements or payments for dependent care expenses under clause (i), a State agency may, at its option, arrange for dependent care through providers by the use of purchase of service contracts or vouchers or by providing vouchers to the household.

(iii) The value of any dependent care services provided for or arranged under clause (ii), or any amount received as a payment or reimbursement under clause (i), shall—

(I) not be treated as income for the purposes of any other Federal or federally assisted program that bases eligibility for, or the amount of benefits on, need; and

(II) not be claimed as an employment-related expense for the purposes of the credit provided under section 21 of the Internal Revenue Code of 1986.

[(J)] (H) The Secretary shall promulgate guidelines that (i) enable State agencies, to the maximum extent practicable, to design and operate an employment and training program that is compatible and consistent with similar programs operated within the State, and (ii) ensure, to the maximum extent practicable, that employment and training programs are provided for Indians on reservations.

[(K)] (I) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including funds used to carry out subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.).

[(L)] (J) The Secretary shall ensure that State agencies comply with the requirements of this paragraph and section 11(e)(19).

[(M)] (K) The facilities of the State public employment offices and other State agencies and providers carrying out activities under title I of the Workforce Innovation and Opportunity Act may be used to find employment and training opportunities for household members under the programs under this paragraph.

(e) No individual who is a member of a household otherwise eligible to participate in the supplemental nutrition assistance program under this section shall be eligible to participate in the supplemental nutrition assistance program as a member of that or any other household if the individual is enrolled at least half-time in an institution of higher education, unless the individual—

(1) is under age 18 or is age 50 or older;

(2) is not physically or mentally fit;

(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of—

(A) a program under title I of the Workforce Innovation and Opportunity Act;

(B) an employment and training program under this section, subject to the condition that the course or program of study—

(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

- (ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;
 - (C) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or
 - (D) another program for the purpose of employment and training operated by a State or local government, as determined to be appropriate by the Secretary;
 - (4) is employed a minimum of 20 hours per week or participating in a State or federally financed work study program during the regular school year;
 - (5) is—
 - (A) a parent with responsibility for the care of a dependent child under age 6 *or of an incapacitated person*; or
 - (B) a parent with responsibility for the care of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available to enable the individual to attend class and satisfy the requirements of paragraph (4);
 - (6) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);
 - (7) is so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act or its successor programs; or
 - (8) is enrolled full-time in an institution of higher education, as determined by the institution, and is a single parent with responsibility for the care of a dependent child under age 12.
- (f) No individual who is a member of a household otherwise eligible to participate in the supplemental nutrition assistance program under this section shall be eligible to participate in the supplemental nutrition assistance program as a member of that or any other household unless he or she is (1) a resident of the United States and (2) either (A) a citizen or (B) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) and 8 U.S.C. 1101(a)(20)), excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country; or (C) an alien who entered the United States prior to June 30, 1948, or such subsequent date as is enacted by law, has continuously maintained his or her residence in the United States since then, and is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General pursuant to section 249 of the Immigration and Nationality Act (8 U.S.C. 1259); or (D) an alien who has qualified for conditional entry pursuant to sections 207 and 208 of the Immigration and Nationality Act (8 U.S.C. 1157 and 1158); or (E) an alien who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest pursuant to section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)); or (F) an alien within the United States as to whom the Attorney General has withheld deportation pursuant to section 243 of the Immigration and Nationality Act (8 U.S.C. 1253(h)). No

aliens other than the ones specifically described in clauses (B) through (F) of this subsection shall be eligible to participate in the supplemental nutrition assistance program as a member of any household. The income (less, at State option, a pro rata share) and financial resources of the individual rendered ineligible to participate in the supplemental nutrition assistance program under this subsection shall be considered in determining the eligibility and the value of the allotment of the household of which such individual is a member.

(g) No individual who receives supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616 of such Act, or payments of the type referred to in section 212(a) of Public Law 93-66, as amended, shall be considered to be a member of a household for any month, if, for such month, such individual resides in a State which provides State supplementary payments (1) of the type described in section 1616(a) of the Social Security Act and section 212(a) of Public Law 93-66, and (2) the level of which has been found by the Commissioner of Social Security to have been specifically increased so as to include the bonus value of food stamps.

(h) No household that knowingly transfers assets for the purpose of qualifying or attempting to qualify for the supplemental nutrition assistance program shall be eligible to participate in the program for a period of up to one year from the date of discovery of the transfer.

(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the supplemental nutrition assistance program.

(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the supplemental nutrition assistance program.

(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.

(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE BENEFITS.—An individual shall be ineligible to participate in the supplemental nutrition assistance program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the supplemental nutrition assistance program.

(k) DISQUALIFICATION OF FLEEING FELONS.—

(1) IN GENERAL.—No member of a household who is otherwise eligible to participate in the supplemental nutrition assistance program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

(B) violating a condition of probation or parole imposed under a Federal or State law.

(2) PROCEDURES.—The Secretary shall—

(A) define the terms “fleeing” and “actively seeking” for purposes of this subsection; and

(B) ensure that State agencies use consistent procedures established by the Secretary that disqualify individuals whom law enforcement authorities are actively seeking for the purpose of holding criminal proceedings against the individual.

(l) CUSTODIAL PARENT’S COOPERATION WITH CHILD SUPPORT AGENCIES.—

(1) IN GENERAL.—**At the option of a State agency, subject** *Subject* to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as “the individual”) who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the supplemental nutrition assistance program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

(A) in establishing the paternity of the child (if the child is born out of wedlock); and

(B) in obtaining support for—

(i) the child; or

(ii) the individual and the child.

(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

(m) NONCUSTODIAL PARENT’S COOPERATION WITH CHILD SUPPORT AGENCIES.—

(1) IN GENERAL.—**At the option of a State agency, subject** *Subject* to paragraphs (2) and (3), a putative or identified non-custodial parent of a child under the age of 18 (referred to in

this subsection as “the individual”) shall not be eligible to participate in the supplemental nutrition assistance program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

(A) in establishing the paternity of the child (if the child is born out of wedlock); and

(B) in providing support for the child.

(2) REFUSAL TO COOPERATE.—

(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.

[(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

[(1) IN GENERAL.—At the option of a State agency, no individual shall be eligible to participate in the supplemental nutrition assistance program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

[(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

[(A) a court is allowing the individual to delay payment;

or

[(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.

[(o) WORK REQUIREMENT.—

[(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term “work program” means—

[(A) a program under title I of the Workforce Innovation and Opportunity Act;

[(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); and

[(C) a program of employment and training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

[(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the supplemental nutrition assistance program as a member of

any household if, during the preceding 36-month period, the individual received supplemental nutrition assistance program benefits for not less than 3 months (consecutive or otherwise) during which the individual did not—

[(A) work 20 hours or more per week, averaged monthly;

[(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency;

[(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State; or

[(D) receive benefits pursuant to paragraph (3), (4), (5), or (6).

[(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

[(A) under 18 or over 50 years of age;

[(B) medically certified as physically or mentally unfit for employment;

[(C) a parent or other member of a household with responsibility for a dependent child;

[(D) otherwise exempt under subsection (d)(2); or

[(E) a pregnant woman.

[(4) WAIVER.—

[(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

[(i) has an unemployment rate of over 10 percent; or

[(ii) does not have a sufficient number of jobs to provide employment for the individuals.

[(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[(5) SUBSEQUENT ELIGIBILITY.—

[(A) REGAINING ELIGIBILITY.—An individual denied eligibility under paragraph (2) shall regain eligibility to participate in the supplemental nutrition assistance program if, during a 30-day period, the individual—

[(i) works 80 or more hours;

[(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

[(iii) participates in and complies with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

[(B) MAINTAINING ELIGIBILITY.—An individual who regains eligibility under subparagraph (A) shall remain eligible as long as the individual meets the requirements of subparagraph (A), (B), or (C) of paragraph (2).

[(C) LOSS OF EMPLOYMENT.—

[(i) IN GENERAL.—An individual who regained eligibility under subparagraph (A) and who no longer meets the requirements of subparagraph (A), (B), or (C) of paragraph (2) shall remain eligible for a consecutive 3-month period, beginning on the date the individual first notifies the State agency that the individual no longer meets the requirements of subparagraph (A), (B), or (C) of paragraph (2).

[(ii) LIMITATION.—An individual shall not receive any benefits pursuant to clause (i) for more than a single 3-month period in any 36-month period.

[(6) 15-PERCENT EXEMPTION.—

[(A) DEFINITIONS.—In this paragraph:

[(i) CASELOAD.—The term “caseload” means the average monthly number of individuals receiving supplemental nutrition assistance program benefits during the 12-month period ending the preceding June 30.

[(ii) COVERED INDIVIDUAL.—The term “covered individual” means a member of a household that receives supplemental nutrition assistance program benefits, or an individual denied eligibility for supplemental nutrition assistance program benefits solely due to paragraph (2), who—

[(I) is not eligible for an exception under paragraph (3);

[(II) does not reside in an area covered by a waiver granted under paragraph (4);

[(III) is not complying with subparagraph (A), (B), or (C) of paragraph (2);

[(IV) is not receiving supplemental nutrition assistance program benefits during the 3 months of eligibility provided under paragraph (2); and

[(V) is not receiving supplemental nutrition assistance program benefits under paragraph (5).

[(B) GENERAL RULE.—Subject to subparagraphs (C) through (G), a State agency may provide an exemption from the requirements of paragraph (2) for covered individuals.

[(C) FISCAL YEAR 1998.—Subject to subparagraphs (E) and (G), for fiscal year 1998, a State agency may provide a number of exemptions such that the average monthly number of the exemptions in effect during the fiscal year does not exceed 15 percent of the number of covered individuals in the State in fiscal year 1998, as estimated by the Secretary, based on the survey conducted to carry out section 16(c) for fiscal year 1996 and such other factors as the Secretary considers appropriate due to the timing and limitations of the survey.

[(D) SUBSEQUENT FISCAL YEARS.—Subject to subparagraphs (E) through (G), for fiscal year 1999 and each subsequent fiscal year, a State agency may provide a number of exemptions such that the average monthly number of the exemptions in effect during the fiscal year does not exceed 15 percent of the number of covered individuals in the State, as estimated by the Secretary under subparagraph

(C), adjusted by the Secretary to reflect changes in the State's caseload and the Secretary's estimate of changes in the proportion of members of households that receive supplemental nutrition assistance program benefits covered by waivers granted under paragraph (4).

[(E) CASELOAD ADJUSTMENTS.—The Secretary shall adjust the number of individuals estimated for a State under subparagraph (C) or (D) during a fiscal year if the number of members of households that receive supplemental nutrition assistance program benefits in the State varies from the State's caseload by more than 10 percent, as determined by the Secretary.

[(F) EXEMPTION ADJUSTMENTS.—During fiscal year 1999 and each subsequent fiscal year, the Secretary shall increase or decrease the number of individuals who may be granted an exemption by a State agency under this paragraph to the extent that the average monthly number of exemptions in effect in the State for the preceding fiscal year under this paragraph is lesser or greater than the average monthly number of exemptions estimated for the State agency for such preceding fiscal year under this paragraph.

[(G) REPORTING REQUIREMENT.—A State agency shall submit such reports to the Secretary as the Secretary determines are necessary to ensure compliance with this paragraph.

[(7) OTHER PROGRAM RULES.—Nothing in this subsection shall make an individual eligible for benefits under this Act if the individual is not otherwise eligible for benefits under the other provisions of this Act.

[(p)] (n) DISQUALIFICATION FOR OBTAINING CASH BY DESTROYING FOOD AND COLLECTING DEPOSITS.—Subject to any requirements established by the Secretary, any person who has been found by a State or Federal court or administrative agency in a hearing under subsection (b) to have intentionally obtained cash by purchasing products with supplemental nutrition assistance program benefits that have containers that require return deposits, discarding the product, and returning the container for the deposit amount shall be ineligible for benefits under this Act for such period of time as the Secretary shall prescribe by regulation.

[(q)] (o) DISQUALIFICATION FOR SALE OF FOOD PURCHASED WITH SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS.—Subject to any requirements established by the Secretary, any person who has been found by a State or Federal court or administrative agency in a hearing under subsection (b) to have intentionally sold any food that was purchased using supplemental nutrition assistance program benefits shall be ineligible for benefits under this Act for such period of time as the Secretary shall prescribe by regulation.

[(r)] (p) DISQUALIFICATION FOR CERTAIN CONVICTED FELONS.—

(1) IN GENERAL.—An individual shall not be eligible for benefits under this Act if—

(A) the individual is convicted of—

(i) aggravated sexual abuse under section 2241 of title 18, United States Code;

(ii) murder under section 1111 of title 18, United States Code;

(iii) an offense under chapter 110 of title 18, United States Code;

(iv) a Federal or State offense involving sexual assault, as defined in 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)); or

(v) an offense under State law determined by the Attorney General to be substantially similar to an offense described in clause (i), (ii), or (iii); and

(B) the individual is not in compliance with the terms of the sentence of the individual or the restrictions under subsection (k).

(2) EFFECTS ON ASSISTANCE AND BENEFITS FOR OTHERS.—The amount of benefits otherwise required to be provided to an eligible household under this Act shall be determined by considering the individual to whom paragraph (1) applies not to be a member of the household, except that the income and resources of the individual shall be considered to be income and resources of the household.

(3) ENFORCEMENT.—Each State shall require each individual applying for benefits under this Act to attest to whether the individual, or any member of the household of the individual, has been convicted of a crime described in paragraph (1).

[(s)] (q) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.

SEC. 7. ISSUANCE AND USE OF PROGRAM BENEFITS.

(a) IN GENERAL.—Except as provided in subsection (i), EBT cards shall be issued only to households which have been duly certified as eligible to participate in the supplemental nutrition assistance program.

(b) USE.—Benefits issued to eligible households shall be used by them only to purchase food from retail food stores which have been approved for participation in the supplemental nutrition assistance program at prices prevailing in such stores: *Provided*, That nothing in this Act shall be construed as authorizing the Secretary to specify the prices at which food may be sold by wholesale food concerns or retail food stores.

(c) DESIGN.—

(1) IN GENERAL.—EBT cards issued to eligible households shall be simple in design and shall include only such words or illustrations as are required to explain their purpose.

(2) PROHIBITION.—The name of any public official shall not appear on any EBT card.

(d) The Secretary shall prescribe appropriate procedures for the delivery of benefits to benefit issuers and for the subsequent controls to be placed over such **[benefits by benefit issuers]** *benefit issuers and other independent sales organizations, third-party processors, and web service providers that provide electronic benefit transfer services or equipment to retail food stores and wholesale food concerns*, in order to ensure adequate accountability.

(e) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of benefits, except that in the case of losses resulting from the issuance and replacement of authorizations for benefits which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.

(f) ALTERNATIVE BENEFIT DELIVERY.—

(1) IN GENERAL.—If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the supplemental nutrition assistance program, the Secretary shall require a State agency to issue or deliver benefits using alternative methods.

(2) IMPOSITION OF COSTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

(i) farmers' markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.

(C) INTERCHANGE FEES.—Nothing in this paragraph permits the charging of fees relating to the redemption of supplemental nutrition assistance program benefits, in accordance with subsection (h)(13).

(3) DEVALUATION AND TERMINATION OF ISSUANCE OF PAPER COUPONS.—

(A) COUPON ISSUANCE.—Effective on the date of enactment of the Food, Conservation, and Energy Act of 2008, no State shall issue any coupon, stamp, certificate, or authorization card to a household that receives supplemental nutrition assistance under this Act.

(B) EBT CARDS.—Effective beginning on the date that is 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, only an EBT card issued under subsection (i) shall be eligible for exchange at any retail food store.

(C) DE-OBLIGATION OF COUPONS.—Coupons not redeemed during the 1-year period beginning on the date of enactment of the Food, Conservation, and Energy Act of 2008 shall—

- (i) no longer be an obligation of the Federal Government; and
- (ii) not be redeemable.

(4) TERMINATION OF MANUAL VOUCHERS.—

(A) IN GENERAL.—Effective beginning on the date of enactment of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

(B) EXEMPTIONS.—The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—

(A) IN GENERAL.—To enhance the anti-fraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.

(B) REGULATIONS.—

(i) IN GENERAL.—Not earlier than 2 years after the date of enactment of this paragraph, the Secretary shall issue proposed regulations to carry out this paragraph.

(ii) COMMERCIAL PRACTICES.—In issuing regulations to carry out this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions.

(g)(1) The State agency may establish a procedure for staggering the issuance of benefits to eligible households throughout the month. Upon the request of the tribal organization that exercises governmental jurisdiction over the reservation, the State agency shall stagger the issuance of benefits for eligible households located on reservations for at least 15 days of a month.

(2) REQUIREMENTS.—

(A) IN GENERAL.—Any procedure established under paragraph (1) shall—

- (i) not reduce the allotment of any household for any period; and

(ii) ensure that no household experiences an interval between issuances of more than 40 days.

(B) MULTIPLE ISSUANCES.—The procedure may include issuing benefits to a household in more than 1 issuance during a month only when a benefit correction is necessary.

(h) ELECTRONIC BENEFIT TRANSFERS.—

(1) IN GENERAL.—

(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

(B) TIMELY IMPLEMENTATION.—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

- (i) commercial electronic funds transfer technology;
- (ii) the need to permit interstate operation and law enforcement monitoring; and
- (iii) the need to permit monitoring and investigations by authorized law enforcement agencies.

(2) The Secretary shall issue final regulations that establish standards for the approval of such a system *and shall periodically review such regulations and modify such regulations to take into account evolving technology and comparable industry standards*. The standards shall include—

(A) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

(B) the terms and conditions of participation by retail food stores, financial institutions, and other appropriate parties;

[(C)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and]

(C)(i) *risk-based measures to maximize the security of a system using the most effective technology available that the State agency considers appropriate and cost effective including consideration of recipient access and ease of use and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, alternatives for securing transactions, and other measures to protect against fraud and abuse; and*

(ii) unless determined by the Secretary to be located in an area with significantly limited access to food, measures that require an electronic benefit transfer system—

(I) to set and enforce sales restrictions based on benefit transfer payment eligibility by using scanning or product lookup entry; and

(II) to deny benefit tenders for manually entered sales of ineligible items.

(D) system transaction interchange, reliability, and processing speeds;

(E) financial accountability;

(F) the required testing of system operations prior to implementation;

(G) the analysis of the results of system implementation in a limited project area prior to expansion; and

(H) procurement standards.

(3) In the case of a system described in paragraph (1) in which participation is not optional for households, the Secretary shall not approve such a system unless—

(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer a significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

(B) any special equipment necessary to allow households to purchase food with the benefits issued under this Act is operational in the case of other participating stores, at a sufficient number of registers to provide service that is comparable to service provided individuals who are not members of households receiving supplemental nutrition assistance program benefits, as determined by the Secretary.

(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 16, subject to the limitations in section 16(g).

(5) The Secretary shall periodically inform State agencies of the advantages of using electronic benefit systems to issue benefits in accordance with this subsection in lieu of issuing coupons to households.

(6) This subsection shall not diminish the authority of the Secretary to conduct projects to test automated or electronic benefit delivery systems under section 17(f).

(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based supplemental nutrition assistance issuance system.

(8) REPLACEMENT OF CARDS.—

(A) FEES.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

(B) PURPOSEFUL LOSS OF CARDS.—

(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

(II) after [an excessive number of lost cards] *2 lost cards in a 12-month period*, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.

(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

(10) FEDERAL LAW NOT APPLICABLE.—Section 920 of the Electronic Fund Transfer Act shall not apply to electronic benefit transfer or reimbursement systems under this Act.

(11) APPLICATION OF ANTI-TYING RESTRICTIONS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

(A) DEFINITIONS.—In this paragraph:

(i) **AFFILIATE.**—The term “affiliate” has the meaning provided the term in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k)).

(ii) **COMPANY.**—The term “company” has the meaning provided the term in section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971), but shall not include a bank, a bank holding company, or any subsidiary of a bank holding company.

(iii) **ELECTRONIC BENEFIT TRANSFER SERVICE.**—The term “electronic benefit transfer service” means the processing of electronic transfers of household benefits, determined under section 8(a) or 26, if the benefits are—

(I) issued from and stored in a central databank;

(II) electronically accessed by household members at the point of sale; and

(III) provided by a Federal or State government.

(iv) **POINT-OF-SALE SERVICE.**—The term “point-of-sale service” means any product or service related to the electronic authorization and processing of payments for merchandise at a retail food store, including credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

(B) **RESTRICTIONS.**—A company may not sell or provide electronic benefit transfer services, or fix or vary the consideration for electronic benefit transfer services, on the condition or requirement that the customer—

(i) obtain some additional point-of-sale service from the company or an affiliate of the company; or

(ii) not obtain some additional point-of-sale service from a competitor of the company or competitor of any affiliate of the company.

(C) **CONSULTATION WITH THE FEDERAL RESERVE BOARD.**—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System.

(12) **RECOVERING ELECTRONIC BENEFITS.**—

(A) **IN GENERAL.**—A State agency shall establish a procedure for recovering electronic benefits from the account of a household due to inactivity, or *due to the death of all members of the household.*

(B) **BENEFIT STORAGE.**—A State agency may store recovered electronic benefits off-line in accordance with subparagraph (D), if the household has not accessed the account after **[6]** 3 months.

(C) **BENEFIT EXPUNGING.**—A State agency shall expunge benefits that have not been accessed by a household after a period of **[12 months]** *6 months, or upon verification that all members of the household are deceased.*

(D) **NOTICE.**—A State agency shall—

(i) send notice to a household the benefits of which are stored under subparagraph (B); and

(ii) not later than 48 hours after request by the household, make the stored benefits available to the household.

[(13) INTERCHANGE FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection.]

(13) FEES.—No interchange fees shall apply to electronic benefit transfer transactions under this subsection. Neither a State, nor any agent, contractor, or subcontractor of a State who facilitates the provision of supplemental nutrition assistance program benefits in such State may impose a fee for switching or routing such benefits.

(14) MOBILE TECHNOLOGIES.—

[(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

[(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

[(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

[(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

[(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

[(v) meet other criteria as established by the Secretary.]

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall authorize the use of mobile technologies for the purpose of accessing supplemental nutrition assistance program benefits.

(B) [DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—] DEMONSTRATION PROJECTS ON ACCESS OF BENEFITS THROUGH MOBILE TECHNOLOGIES.—

[(i) IN GENERAL.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.]

(i) DEMONSTRATION PROJECTS.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall approve not more than 5 demonstration

project proposals submitted by State agencies that will pilot the use of mobile technologies for supplemental nutrition assistance program benefits access.

(ii) **DEMONSTRATION PROJECTS** *PROJECT REQUIREMENTS*.—To be eligible to participate in a demonstration project under clause (i), a **retail food store** State agency shall submit to the Secretary for approval a plan that **includes**—

I a description of the technology;

II the manner by which the retail food store will provide proof of the transaction to households;

III the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

IV such other criteria as the Secretary may require.】

I provides recipient protections regarding privacy, ease of use, household access to benefits, and support similar to the protections provided under existing methods;

II ensures that all recipients, including those without access to mobile payment technology and those who shop across State borders, have a means of benefit access;

III requires retail food stores, unless exempt under section 7(f)(2)(B), to bear the costs of acquiring and arranging for the implementation of point-of-sale equipment and supplies for the redemption of benefits that are accessed through mobile technologies, including any fees not described in paragraph (13);

IV requires that foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

V ensures adequate documentation for each authorized transaction, adequate security measures to deter fraud, and adequate access to retail food stores that accept benefits accessed through mobile technologies, as determined by the Secretary;

VI provides for an evaluation of the demonstration project, including, but not limited to, an evaluation of household access to benefits; and

VII meets other criteria as established by the Secretary.

DATE OF COMPLETION.—The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.】

(iii) *PRIORITY.*—The Secretary may prioritize demonstration project proposals that would—

(I) reduce fraud;

(II) encourage positive nutritional outcomes; and

(III) meet such other criteria as determined by the Secretary.

(iv) *DATE OF PROJECT APPROVAL.*—The Secretary shall solicit and approve the qualifying demonstration projects required under subparagraph (B)(i) not later than January 1, 2020.

(C) *REPORT TO CONGRESS.*—The Secretary shall—

(i) by not later than January 1, ~~2017~~ 2022, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States *requires further study by way of an extended pilot period* or is not in the best interest of the supplemental nutrition assistance program; and

(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.

(i) *STATE OPTION TO ISSUE BENEFITS TO CERTAIN INDIVIDUALS MADE INELIGIBLE BY WELFARE REFORM.*—

(1) *IN GENERAL.*—Notwithstanding any other provision of law, a State agency may, with the approval of the Secretary, issue benefits under this Act to an individual who is ineligible to participate in the supplemental nutrition assistance program solely as a result of section ~~6(o)(2)~~ 6(d)(1)(B) of this Act or section 402 or 403 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612 or 1613).

(2) *STATE PAYMENTS TO SECRETARY.*—

(A) *IN GENERAL.*—Not later than the date the State agency issues benefits to individuals under this subsection, the State agency shall pay the Secretary, in accordance with procedures established by the Secretary, an amount that is equal to—

(i) the value of the benefits; and

(ii) the costs of issuing and redeeming benefits, and other Federal costs, incurred in providing the benefits, as determined by the Secretary.

(B) *CREDITING.*—Notwithstanding section 3302(b) of title 31, United States Code, payments received under subparagraph (A) shall be credited to the supplemental nutrition assistance program appropriation account or the account from which the costs were drawn, as appropriate, for the fiscal year in which the payment is received.

(3) *REPORTING.*—To be eligible to issue benefits under this subsection, a State agency shall comply with reporting requirements established by the Secretary to carry out this subsection.

(4) PLAN.—To be eligible to issue benefits under this subsection, a State agency shall—

(A) submit a plan to the Secretary that describes the conditions and procedures under which the benefits will be issued, including eligibility standards, benefit levels, and the methodology the State agency will use to determine amounts due the Secretary under paragraph (2); and

(B) obtain the approval of the Secretary for the plan.

(5) VIOLATIONS.—A sanction, disqualification, fine, or other penalty prescribed under Federal law (including sections 12 and 15) shall apply to a violation committed in connection with a benefit issued under this subsection.

(6) INELIGIBILITY FOR ADMINISTRATIVE REIMBURSEMENT.—Administrative and other costs incurred in issuing a benefit under this subsection shall not be eligible for Federal funding under this Act.

(7) EXCLUSION FROM ENHANCED PAYMENT ACCURACY SYSTEMS.—Section 16(c) shall not apply to benefits issued under this subsection.

(j) INTEROPERABILITY AND PORTABILITY OF ELECTRONIC BENEFIT TRANSFER TRANSACTIONS.—

(1) DEFINITIONS.—In this subsection:

(A) ELECTRONIC BENEFIT TRANSFER CARD.—The term “electronic benefit transfer card” means a card that provides benefits under this Act through an electronic benefit transfer service (as defined in subsection (h)(11)(A)).

(B) ELECTRONIC BENEFIT TRANSFER CONTRACT.—The term “electronic benefit transfer contract” means a contract that provides for the issuance, use, or redemption of program benefits in the form of electronic benefit transfer cards.

(C) INTEROPERABILITY.—The term “interoperability” means a system that enables program benefits in the form of an electronic benefit transfer card to be redeemed in any State.

(D) INTERSTATE TRANSACTION.—The term “interstate transaction” means a transaction that is initiated in 1 State by the use of an electronic benefit transfer card that is issued in another State.

(E) PORTABILITY.—The term “portability” means a system that enables program benefits in the form of an electronic benefit transfer card to be used in any State by a household to purchase food at a retail food store or wholesale food concern approved under this Act.

(F) SETTLING.—The term “settling” means movement, and reporting such movement, of funds from an electronic benefit transfer card issuer that is located in 1 State to a retail food store, or wholesale food concern, that is located in another State, to accomplish an interstate transaction.

(G) SMART CARD.—The term “smart card” means an intelligent benefit card described in section 17(f).

(H) SWITCHING.—The term “switching” means the routing of an interstate transaction that consists of transmitting the details of a transaction electronically recorded

through the use of an electronic benefit transfer card in 1 State to the issuer of the card that is in another State.】

(H) SWITCHING.—*The term “switching” means the routing of an intrastate or interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in one State to the issuer of the card that may be in the same or different State.*

(2) REQUIREMENT.—Not later than October 1, 2002, the Secretary shall ensure that systems that provide for the electronic issuance, use, and redemption of program benefits in the form of electronic benefit transfer cards are interoperable, and supplemental nutrition assistance program benefits are portable, among all States.

(3) COST.—The cost of achieving the interoperability and portability required under paragraph (2) shall not be imposed on any retail store, or any wholesale food concern, approved to participate in the supplemental nutrition assistance program.

(4) STANDARDS.—Not later than 210 days after the date of enactment of this subsection, the Secretary shall promulgate regulations that—

(A) adopt a uniform national standard of interoperability and portability required under paragraph (2) that is based on the standard of interoperability and portability used by a majority of State agencies; and

(B) require that any electronic benefit transfer contract that is entered into 30 days or more after the regulations are promulgated, by or on behalf of a State agency, provide for the interoperability and portability required under paragraph (2) in accordance with the national standard.

(5) EXEMPTIONS.—

(A) CONTRACTS.—The requirements of paragraph (2) shall not apply to the transfer of benefits under an electronic benefit transfer contract before the expiration of the term of the contract if the contract—

(i) is entered into before the date that is 30 days after the regulations are promulgated under paragraph (4); and

(ii) expires after October 1, 2002.

(B) WAIVER.—At the request of a State agency, the Secretary may provide 1 waiver to temporarily exempt, for a period ending on or before the date specified under clause (iii), the State agency from complying with the requirements of paragraph (2), if the State agency—

(i) establishes to the satisfaction of the Secretary that the State agency faces unusual technological barriers to achieving by October 1, 2002, the interoperability and portability required under paragraph (2);

(ii) demonstrates that the best interest of the supplemental nutrition assistance program would be served by granting the waiver with respect to the electronic benefit transfer system used by the State agency to administer the supplemental nutrition assistance program; and

(iii) specifies a date by which the State agency will achieve the interoperability and portability required under paragraph (2).

(C) SMART CARD SYSTEMS.—The Secretary shall allow a State agency that is using smart cards for the delivery of supplemental nutrition assistance program benefits to comply with the requirements of paragraph (2) at such time after October 1, 2002, as the Secretary determines that a practicable technological method is available for interoperability with electronic benefit transfer cards.

(6) FUNDING.—

(A) IN GENERAL.—In accordance with regulations promulgated by the Secretary, the Secretary shall pay 100 percent of the costs incurred by a State agency under this Act for switching and settling interstate transactions—

(i) incurred after the date of enactment of this subsection and before October 1, 2002, if the State agency uses the standard of interoperability and portability adopted by a majority of State agencies; and

(ii) incurred after September 30, 2002, if the State agency uses the uniform national standard of interoperability and portability adopted under paragraph (4)(A).

(B) LIMITATION.—The total amount paid to State agencies for each fiscal year under subparagraph (A) shall not exceed \$500,000.

(k) **OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.—** *ACCEPTANCE OF PROGRAM BENEFITS THROUGH ONLINE TRANSACTIONS.—*

(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

(2) REQUIREMENTS TO ACCEPT BENEFITS.—A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

(C) clearly notify participating households at the time a food order is placed—

(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

(ii) that any such fee cannot be paid with benefits provided under this Act;

(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

(E) meet other criteria as established by the Secretary.

(3) STATE AGENCY ACTION.—Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;

(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

(iii) adequate testing of the on-line purchasing option prior to implementation;

(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

(v) reports on progress, challenges, and results, as determined by the Secretary; and

(vi) such other criteria, including security criteria, as established by the Secretary.

[(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.]

[(5) REPORT TO CONGRESS.—The Secretary shall—

[(A) by not later than January 1, 2017, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

[(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.]

(l) REQUIREMENT TO ROUTE ALL SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFIT TRANSFER TRANSACTIONS THROUGH A NATIONAL GATEWAY.—

(1) DEFINITIONS.—For purposes of this section:

(A) The term “independent sales organization ” means a person or entity that—

(i) is not a third-party processor; and

(ii) engages in sales or service to retail food stores with respect to point-of-sale equipment necessary for electronic benefit transfer transaction processing.

(B) The term “third-party processor” means an entity, including a retail food store operating its own point-of-sale terminals, that is capable of routing electronic transfer benefit transactions for authorization.

(C) The term “web service provider” means an entity that operates a generic online purchasing website that can be customized for online electronic benefit transfer transactions for authorized retail food stores.

(2) *IN GENERAL.*—Subject to paragraph (5), the Secretary shall establish a national gateway for the purpose of routing all supplemental nutrition assistance program benefit transfer transactions (in this subsection referred to as “transactions” unless the context specifies otherwise) to the appropriate benefit issuers for purposes of transaction validation and settlement.

(3) *REQUIREMENTS TO ROUTE TRANSACTIONS.*—The Secretary shall—

(A) ensure that protections regarding privacy, security, ease of use, and access relating to supplemental nutrition assistance benefits are maintained for benefit recipients and retail food stores;

(B) ensure redundancy for processing of transactions;

(C) ensure real-time monitoring of transactions;

(D) ensure that all entities that connect to such gateway, and all others that connect to such entities, meet and follow transaction messaging standards, and other requirements, established by the Secretary;

(E) ensure the security of transactions by using the most effective technology available that the Secretary considers to be appropriate and cost-effective; and

(F) ensure that all transactions are routed through such gateway.

(4) *STATE AGENCY ACTION.*—Each State agency shall ensure that all of its benefit issuers connect to such gateway. A State agency may opt to require its benefit issuer to route cash transactions through such gateway, subject to terms established by the Secretary.

(5) *ROUTING OF TRANSACTIONS THROUGH A NATIONAL GATEWAY.*—

(A) *IN GENERAL.*—Before the Secretary implements in all the States a national gateway established under paragraph (2), the Secretary shall conduct a feasibility study to assess the feasibility of routing transactions through such gateway.

(B) *FEASIBILITY STUDY.*—The feasibility study conducted under subparagraph (A) shall provide, at a minimum, all of the following:

(i) A comprehensive analysis of opportunities and challenges presented by implementation of such gateway.

(ii) One or more options for carrying forward each of such opportunities and for mitigating each of such challenges.

(iii) Data for purposes of analyzing the implementation of, and on-going cost of managing, such gateway.

(iv) *One or more models for cost-neutral on-going operation of a national gateway.*

(v) *Other criteria, including security criteria, established by the Secretary.*

(C) *DATE OF COMPLETION OF STUDY.—The Secretary shall complete the feasibility study required by subparagraph (B) not later than 1 year after the date of the enactment of the Agriculture and Nutrition Act of 2018.*

(D) *IMPLEMENTATION OF A NATIONAL GATEWAY.—Not later than 1 year after the date of the completion of such study, the Secretary shall complete the nationwide implementation of a national gateway established under paragraph (2) unless the Secretary determines, based on such study, that more time is needed to implement such gateway nationwide or that nationwide implementation of such gateway is not in the best interest of the operation of the supplemental nutrition assistance program.*

(E) *REPORT TO CONGRESS.—If the Secretary makes a determination described in subparagraph (D), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes the basis of such determination.*

(F) *NONDISCLOSURE OF INFORMATION.—Any information collected through such gateway about a specific retail food store, wholesale food concern, person, or other entity, and any investigative methodology or criteria used for program integrity purposes that operates at or in conjunction with such gateway, shall be exempt from the disclosure requirements of section 552(a) of title 5 of the United States Code pursuant to section 552(b)(3)(B) of title 5 of the United States Code. The Secretary shall limit the use or disclosure of information obtained under this subsection in a manner consistent with section 9(c).*

(6) *AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$10,500,000 for fiscal year 2019, and \$9,500,000 for each of the fiscal years 2020 through 2023, to carry out this subsection. Not more than \$1,000,000 of the funds appropriated under this paragraph may be used for the feasibility study under paragraph (5)(B).*

(7) *GATEWAY SUSTAINABILITY.—Benefit issuers and third-party processors shall pay fees to the gateway operator, in a manner prescribed by the Secretary, to directly access and route transactions through the national gateway.*

(A) *PURPOSE.—The Secretary shall ensure that fees are collected and used solely for the operation of the gateway.*

(B) *AMOUNT.—Fees shall be established by the Secretary in amounts proportionate to the number of transactions routed through the gateway by each benefit issuer and third-party processor, and based on the cost of operating the gateway in a fiscal year.*

(C) *ADJUSTMENT.—The Secretary shall evaluate annually the cost of operating such gateway and shall adjust the fee in effect for a fiscal year to reflect the cost of operating such gateway, except that an adjustment under this subpara-*

graph for any fiscal year may not exceed 10 percent of the fee charged under this paragraph in the preceding fiscal year.

VALUE OF ALLOTMENT

SEC. 8. (a) The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the supplemental nutrition assistance program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 (d) and (e) of this Act, rounded to the nearest lower whole dollar: *Provided*, That for households of one and two persons the minimum allotment shall be 8 percent of the cost of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 3, rounded to the nearest whole dollar increment.

(b) The value of benefits that may be provided under this Act shall not be considered income or resources for any purpose under any Federal, State, or local laws, including, but not limited to, laws relating to taxation, welfare, and public assistance programs, and no participating State or political subdivision thereof shall decrease any assistance otherwise provided an individual or individuals because of the receipt of benefits under this Act.

(c)(1) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued, except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10. Households shall receive full months' allotments for all months within a certification period, except as provided in the first sentence of this paragraph with respect to an initial month.

(2) As used in this subsection, the term "initial month" means (A) the first month for which an allotment is issued to a household, (B) the first month for which an allotment is issued to a household following any period in which such household was not participating in the supplemental nutrition assistance program under this Act after the expiration of a certification period or after the termination of the certification of a household, during a certification period, when the household ceased to be eligible after notice and an opportunity for a hearing under section 11(e)(10), and (C) in the case of a migrant or seasonal farmworker household, the first month for which allotment is issued to a household that applies following any period of more than 30 days in which such household was not participating in the supplemental nutrition assistance program after previous participation in such program.

(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the

household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.

(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

(B) the State agency may reduce the allotment of the household by not more than 25 percent.

(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the supplemental nutrition assistance program.

(e) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in section [3(n)(5)] 3(m)(5), a State agency may provide an allotment for the individual to—

(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

(B) the individual, if the individual leaves the center.

(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.

(f) ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

(1) IN GENERAL.—

(A) APPLICABILITY.—

(i) IN GENERAL.—Subject to clause (ii), at the option of the State agency, allotments for residents of any facility described in subparagraph (B), (C), (D), or (E) of section [3(n)(5)] 3(m)(5) (referred to in this subsection as a “covered facility”) may be determined and issued under this paragraph in lieu of subsection (a).

(ii) LIMITATION.—Unless the Secretary authorizes implementation of this paragraph in all States under paragraph (3), clause (i) shall apply only to residents of covered facilities participating in a pilot project under paragraph (2).

(B) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in subparagraph (A) shall be cal-

culated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of covered facilities.

(C) ISSUANCE OF ALLOTMENT.—

(i) IN GENERAL.—The State agency shall issue an allotment determined under this paragraph to a covered facility as the authorized representative of the residents of the covered facility.

(ii) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a covered facility does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the covered facility.

(D) DEPARTURES OF RESIDENTS OF COVERED FACILITIES.—

(i) NOTIFICATION.—Any covered facility that receives an allotment for a resident under this paragraph shall—

(I) notify the State agency promptly on the departure of the resident; and

(II) notify the resident, before the departure of the resident, that the resident—

(aa) is eligible for continued benefits under the supplemental nutrition assistance program; and

(bb) should contact the State agency concerning continuation of the benefits.

(ii) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under clause (i)(I) concerning the departure of a resident, the State agency—

(I) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the supplemental nutrition assistance program; and

(II) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this paragraph unless the departed resident reapplies to participate in the supplemental nutrition assistance program.

(iii) STATE OPTION.—The State agency may elect not to issue an allotment under clause (ii)(I) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

(iv) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the supplemental nutrition assistance program, the allotment of the departed resident shall be determined without regard to this paragraph.

(2) PILOT PROJECTS.—

(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out, at the request of 1 or more State agencies and in 1 or more areas of the United States, such number of pilot projects as the Secretary determines to be suffi-

cient to test the feasibility of determining and issuing allotments to residents of covered facilities under paragraph (1) in lieu of subsection (a).

(B) PROJECT PLAN.—To be eligible to participate in a pilot project under subparagraph (A), a State agency shall submit to the Secretary for approval a project plan that includes—

(i) a specification of the covered facilities in the State that will participate in the pilot project;

(ii) a schedule for reports to be submitted to the Secretary on the pilot project;

(iii) procedures for standardizing allotment amounts that takes into account the allotments typically received by residents of covered facilities; and

(iv) a commitment to carry out the pilot project in compliance with the requirements of this subsection other than paragraph (1)(B).

(3) AUTHORIZATION OF IMPLEMENTATION IN ALL STATES.—

(A) IN GENERAL.—The Secretary shall—

(i) determine whether to authorize implementation of paragraph (1) in all States; and

(ii) notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the determination.

(B) DETERMINATION NOT TO AUTHORIZE IMPLEMENTATION IN ALL STATES.—

(i) IN GENERAL.—If the Secretary makes a finding described in clause (ii), the Secretary—

(I) shall not authorize implementation of paragraph (1) in all States; and

(II) shall terminate all pilot projects under paragraph (2) within a reasonable period of time (as determined by the Secretary).

(ii) FINDING.—The finding referred to in clause (i) is that—

(I) an insufficient number of project plans that the Secretary determines to be eligible for approval are submitted by State agencies under paragraph (2)(B); or

(II)(aa) a sufficient number of pilot projects have been carried out under paragraph (2)(A); and

(bb) authorization of implementation of paragraph (1) in all States is not in the best interest of the supplemental nutrition assistance program.

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 9. (a)(1) Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem benefits under the supplemental nutrition assistance program and for the approval of those applicants whose participation will effectuate the purposes of the supplemental nutrition assistance program. In determining the qualifications of applicants, there shall be considered among such other factors as may

be appropriate, the following: (A) the nature and extent of the food business conducted by the applicant; (B) the volume of benefit transactions which may reasonably be expected to be conducted by the applicant food store or wholesale food concern; (C) whether the applicant is located in an area with significantly limited access to food; and (D) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issuance to such applicant of a nontransferable certificate of approval. No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the supplemental nutrition assistance program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.

(2) The Secretary shall issue regulations providing for—

(A) the periodic reauthorization of retail food stores and wholesale food concerns; **[and]**

(B) periodic notice to participating retail food stores and wholesale food concerns of the definitions of “retail food store”, “staple foods”, “eligible foods”, and “perishable foods”**[.]; and**

(C) parameters for retail food store cooperation with the Secretary sufficient to carry out subsection (i).

(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem benefits shall be valid under the supplemental nutrition assistance program.

(b)(1) No wholesale food concern may be authorized to accept and redeem benefits unless the Secretary determines that its participation is required for the effective and efficient operation of the supplemental nutrition assistance program. No co-located wholesale-retail food concern may be authorized to accept and redeem benefits as a retail food store, unless (A) the concern does a substantial level of retail food business, or (B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to households that receive supplemental nutrition assistance program benefits. In addition, no firm may be authorized to accept and redeem benefits as both a retail food store and as a wholesale food concern at the same time.

(2)(A) A buyer or transferee (other than a bona fide buyer or transferee) of a retail food store or wholesale food concern that has been disqualified under section 12(a) may not accept or redeem benefits until the Secretary receives full payment of any penalty imposed on such store or concern.

(B) A buyer or transferee may not, as a result of the sale or transfer of such store or concern, be required to furnish a bond under section 12(d).

(c) Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information, which may include relevant income and sales tax filing documents, purchase invoices, *contracts for electronic benefit transfer services and equipment, records necessary to validate the FNS authorization number to accept and redeem benefits*, or program-re-

lated records, which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act. The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified. Regulations issued pursuant to this Act shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act, except that such information may be disclosed to any used by Federal law enforcement and investigative agencies and law enforcement and investigative agencies of a State government for the purposes of administering or enforcing this Act or any other Federal or State law and the regulations issued under this Act or such law, and State agencies that administer the special supplemental nutrition program for women, infants and children, authorized under section 17 of the Child Nutrition Act of 1966, for purposes of administering the provisions of that Act and the regulations issued under that Act. Any person who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by Federal law (including a regulation) any information obtained under this subsection shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both. The regulations shall establish the criteria to be used by the Secretary to determine whether the information is needed. The regulations shall not prohibit the audit and examination of such information by the Comptroller General of the United States authorized by any other provision of law.

(d) Any retail food store or wholesale food concern which has failed upon application to receive approval to participate in the supplemental nutrition assistance program may obtain a hearing on such refusal as provided in section 14 of this Act. A retail food store or wholesale food concern that is denied approval to accept and redeem benefits because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.

(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the supplemental nutrition assistance program.

(f) In those areas in which the Secretary, in consultation with the Inspector General of the Department of Agriculture, finds evidence that the operation of house-to-house trade routes damages the program's integrity, the Secretary shall limit the participation of house-to-house trade routes to those routes that are reasonably necessary to provide adequate access to households.

(g) **EBT SERVICE REQUIREMENT.**—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).

(h) PRIVATE ESTABLISHMENTS.—

(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(25).

(2) EXISTING CONTRACTS.—

(A) IN GENERAL.—If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(25), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(25).

(B) JUSTIFICATION.—If the Secretary determines to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2014, and 90 days after the last day of each fiscal year thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the effectiveness of a program under this subsection using any information received from States under section 11(e)(25) as well as any other information the Secretary may have relating to the manner in which benefits are used.

(i) DATA COLLECTION FOR RETAIL FOOD STORE TRANSACTIONS.—

(1) COLLECTION OF DATA.—*To assist in making improvements to supplemental nutrition assistance program design, for each interval not greater than a 2-year period, the Secretary shall—*

(A) collect a statistically significant sample of retail food store transaction data, including the cost and description of items purchased with supplemental nutrition assistance program benefits, to the extent practicable and without affecting retail food store document retention practices; and

(B) make a summarized report of aggregated data collected under subparagraph (A) available to the public in a manner that prevents identification of individual retail food stores, individual retail food store chains, and individual members of households that use such benefits.

(2) NONDISCLOSURE.—*Any transaction data that contains information specific to a retail food store, a retail food store location, a person, or other entity shall be exempt from the disclosure requirements of Section 552(a) of title 5 of the United States Code pursuant to section 552(b)(3)(B) of title 5 of the United States Code. The Secretary shall limit the use or disclo-*

sure of information obtained under this subsection in a manner consistent with sections 9(c) and 11(e)(8).

SEC. 10. REDEMPTION OF PROGRAM BENEFITS.

Regulations issued pursuant to this Act shall provide for the redemption of benefits accepted by retail food stores through approved wholesale food concerns or through financial institutions which are insured by the Federal Deposit Insurance Corporation [or the Federal Savings and Loan Insurance Corporation], or which are insured under the Federal Credit Union Act and have retail food stores or wholesale food concerns in their field of membership, with the cooperation of the Treasury Department, except that retail food stores defined in section [3(p)(4)] 3(o)(4) shall be authorized to redeem their members' food benefits prior to receipt by the members of the food so purchased, retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary, and publicly operated community mental health centers or private nonprofit organizations or institutions which serve meals to narcotics addicts or alcoholics in drug addiction or alcoholic treatment and rehabilitation programs, public and private nonprofit shelters that prepare and serve meals for battered women and children, and public or private nonprofit group living arrangements that serve meals to disabled or blind residents shall not be authorized to redeem benefits through financial institutions which are insured by the Federal Deposit Insurance Corporation [or the Federal Savings and Loan Insurance Corporation] or the Federal Credit Union Act. Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem benefits through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(h) has been implemented. No financial institution may impose on or collect from a retail food store a fee or other charge for the redemption of benefits that are submitted to the financial institution in a manner consistent with the requirements, other than any requirements relating to cancellation of benefits, for the presentation of coupons by financial institutions to the Federal Reserve banks.

SEC. 11. ADMINISTRATION.

(a) STATE RESPONSIBILITY.—

(1) IN GENERAL.—The State agency of each participating State shall have responsibility for certifying applicant households and issuing EBT cards.

(2) LOCAL ADMINISTRATION.—The responsibility of the agency of the State government shall not be affected by whether the program is operated on a State-administered or county-administered basis, as provided under section [3(t)(1)] 3(s)(1).

(3) RECORDS.—

(A) IN GENERAL.—Each State agency shall keep such records as may be necessary to determine whether the pro-

gram is being conducted in compliance with this Act (including regulations issued under this Act).

(B) INSPECTION AND AUDIT.—**[Records described]** *All records, and the entire information systems in which records are contained, that are covered in subparagraph (A) shall—*

[(i) be available for inspection and audit at any reasonable time;]

(i) be made available for inspection and audit by the Secretary, subject to data and security protocols agreed to by the State agency and Secretary;

(ii) subject to subsection (e)(8), be available for review in any action filed by a household to enforce any provision of this Act (including regulations issued under this Act); and

(iii) be preserved for such period of not less than 3 years as may be specified in regulations.

(4) REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN.—

(A) IN GENERAL.—The Secretary shall develop standards for identifying major changes in the operations of a State agency, including—

(i) large or substantially-increased numbers of low-income households that do not live in reasonable proximity to an office performing the major functions described in subsection (e);

(ii) substantial increases in reliance on automated systems for the performance of responsibilities previously performed by personnel described in subsection (e)(6)(B);

(iii) changes that potentially increase the difficulty of reporting information under subsection (e) or section 6(c); and

(iv) changes that may disproportionately increase the burdens on any of the types of households described in subsection (e)(2)(A).

(B) NOTIFICATION.—If a State agency implements a major change in operations, the State agency shall—

(i) notify the Secretary; and

(ii) collect such information as the Secretary shall require to identify and correct any adverse effects on program integrity or access, including access by any of the types of households described in subsection (e)(2)(A).

(b) When a State agency learns, through its own reviews under section 16 or other reviews, or through other sources, that it has improperly denied, terminated, or underissued benefits to an eligible household, the State agency shall promptly restore any improperly denied benefits to the extent required by sections 11(e)(11) and 14(b), and shall take other steps to prevent a recurrence of such errors where such error was caused by the application of State agency practices, rules or procedures inconsistent with the requirements of this Act or with regulations or policies of the Secretary issued under the authority of this Act.

(c) CIVIL RIGHTS COMPLIANCE.—

(1) IN GENERAL.—In the certification of applicant households for the supplemental nutrition assistance program, there shall be no discrimination by reason of race, sex, religious creed, national origin, or political affiliation.

(2) RELATION TO OTHER LAWS.—The administration of the program by a State agency shall be consistent with the rights of households under the following laws (including implementing regulations):

(A) The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

(B) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(C) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(D) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

(d) The State agency (as defined in section **[3(t)(1)] 3(s)(1)**) of each State desiring to participate in the supplemental nutrition assistance program shall submit for approval a plan of operation specifying the manner in which such program will be conducted within the State in every political subdivision. The Secretary may not, as a part of the approval process for a plan of operation, require a State to submit for prior approval by the Secretary the State agency instructions to staff, interpretations of existing policy, State agency methods of administration, forms used by the State agency, or any materials, documents, memoranda, bulletins, or other matter, unless the State determines that the materials, documents, memoranda, bulletins, or other matter alter or amend the State plan of operation or conflict with the rights and levels of benefits to which a household is entitled. In the case of all or part of an Indian reservation, the State agency as defined in section **[3(t)(1)] 3(s)(1)** shall be responsible for conducting such program on such reservation unless the Secretary determines that the State agency (as defined in section **[3(t)(1)] 3(s)(1)**) is failing, subsequent to the enactment of this Act, properly to administer such program on such reservation in accordance with the purposes of this Act and further determines that the State agency as defined in section **[3(t)(2)] 3(s)(2)** is capable of effectively and efficiently conducting such program, in light of the distance of the reservation from State agency-operated certification and issuance centers, the previous experience of such tribal organization in the operation of programs authorized under the Indian Self-Determination Act (25 U.S.C. 450) and similar Acts of Congress, the tribal organization's management and fiscal capabilities, and the adequacy of measures taken by the tribal organization to ensure that there shall be no discrimination in the operation of the program on the basis of race, color, sex, or national origin, in which event such State agency shall be responsible for conducting such program and submitting for approval a plan of operation specifying the manner in which such program will be conducted. The Secretary, upon the request of a tribal organization, shall provide the designees of such organization with appropriate training and technical assistance to enable them to qualify as expeditiously as possible as a State agency pursuant to section **[3(t)(2)] 3(s)(2)**. A State agency, as defined in section **[3(t)(1)] 3(s)(1)**, before it submits its plan of operation to the

Secretary for the administration of the supplemental nutrition assistance program on all or part of an Indian reservation, shall consult in good faith with the tribal organization about that portion of the State's plan of operation pertaining to the implementation of the program for members of the tribe, and shall implement the program in a manner that is responsive to the needs of the Indians on the reservation as determined by ongoing consultation with the tribal organization.

(e) The State plan of operation required under subsection (d) of this section shall provide, among such other provisions as may be required by regulation—

(1) that the State agency shall—

(A) at the option of the State agency, inform low-income households about the availability, eligibility requirements, application procedures, and benefits of the supplemental nutrition assistance program; and

(B) comply with regulations of the Secretary requiring the use of appropriate bilingual personnel and printed material in the administration of the program in those portions of political subdivisions in the State in which a substantial number of members of low-income households speak a language other than English;

(2)(A) that the State agency shall establish procedures governing the operation of supplemental nutrition assistance program offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

(B) In carrying out subparagraph (A), a State agency—

(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the supplemental nutrition assistance program;

(ii)(I) shall develop an application containing the information necessary to comply with this Act; and

(II) if the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;

(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a supplemental nutrition assistance program office in person during office hours;

(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

(I) the information contained in the application is true; and

(II) all members of the household are citizens or are aliens eligible to receive supplemental nutrition assistance program benefits under section 6(f);

(vi) shall provide a method of certifying and issuing benefits to eligible homeless individuals, to ensure that participation in the supplemental nutrition assistance program is limited to eligible households; and

(vii) may establish operating procedures that vary for local supplemental nutrition assistance program offices to reflect regional and local differences within the State.

(C) ELECTRONIC AND AUTOMATED SYSTEMS.—

(i) IN GENERAL.—Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

(ii) STATE OPTION FOR TELEPHONIC SIGNATURE.—A State agency may establish a system by which an applicant household may sign an application through a recorded verbal assent over the telephone.

(iii) REQUIREMENTS.—A system established under clause (ii) shall—

(I) record for future reference the verbal assent of the household member and the information to which assent was given;

(II) include effective safeguards against impersonation, identity theft, and invasions of privacy;

(III) not deny or interfere with the right of the household to apply in writing;

(IV) promptly provide to the household member a written copy of the completed application, with instructions for a simple procedure for correcting any errors or omissions;

(V) comply with paragraph (1)(B);

(VI) satisfy all requirements for a signature on an application under this Act and other laws applicable to the supplemental nutrition assistance program, with the date on which the household member provides verbal assent considered as the date of application for all purposes; and

(VII) comply with such other standards as the Secretary may establish.

(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement;

(3) that the State agency shall thereafter promptly determine the eligibility of each applicant household by way of verification of income other than that determined to be excluded by section 5(d) of this Act (in part through the use of the information, if any, obtained under section 16(e) of this Act and after compliance with the requirement specified in paragraph (24)), household size (in any case such size is question-

able), and such other eligibility factors as the Secretary determines to be necessary to implement sections 5 and 6 of this Act, although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and such other eligibility factors as the State agency determines are necessary, so as to complete certification of and provide an allotment retroactive to the period of application to any eligible household not later than thirty days following its filing of an application, and that the State agency shall provide each applicant household, at the time of application, a clear written statement explaining what acts the household must perform to cooperate in obtaining verification and otherwise completing the application process;

(4) that the State agency shall insure that each participating household receive a notice of expiration of its certification prior to the start of the last month of its certification period advising the household that it must submit a new application in order to renew its eligibility for a new certification period and, further, that each such household which seeks to be certified another time or more times thereafter by filing an application for such recertification no later than fifteen days prior to the day upon which its existing certification period expires shall, if found to be still eligible, receive its allotment no later than one month after the receipt of the last allotment issued to it pursuant to its prior certification, but if such household is found to be ineligible or to be eligible for a smaller allotment during the new certification period it shall not continue to participate and receive benefits on the basis authorized for the preceding certification period even if it makes a timely request for a fair hearing pursuant to paragraph (10) of this subsection: *Provided*, That the timeliness standards for submitting the notice of expiration and filing an application for recertification may be modified by the Secretary in light of sections 5(f)(2) and 6(c) of this Act if administratively necessary;

(5) the specific standards to be used in determining the eligibility of applicant households which shall be in accordance with sections 5 and 6 of this Act and shall include no additional requirements imposed by the State agency;

(6) that—

(A) the State agency shall undertake the certification of applicant households in accordance with the general procedures prescribed by the Secretary in the regulations issued pursuant to this Act; and

(B) the State agency personnel utilized in undertaking such certification shall be employed in accordance with the current standards for a Merit System of Personnel Administration or any standards later prescribed by the Office of Personnel Management pursuant to section 208 of the Intergovernmental Personnel Act of 1970 modifying or superseding such standards relating to the establishment and maintenance of personnel standards on a merit basis;

(7) that an applicant household may be represented in the certification process and that an eligible household may be represented in benefit issuance or food purchase by a person other than a member of the household so long as that person has

been clearly designated as the representative of that household for that purpose, by the head of the household or the spouse of the head, and, where the certification process is concerned, the representative is an adult who is sufficiently aware of relevant household circumstances, except that the Secretary may restrict the number of households which may be represented by an individual and otherwise establish criteria and verification standards for representation under this paragraph;

(8) safeguards which prohibit the use or disclosure of information obtained from applicant households, except that—

(A) the safeguards shall permit—

(i) the disclosure of such information to persons directly connected with the administration or enforcement of the provisions of this Act, regulations issued pursuant to this Act, Federal assistance programs, or federally-assisted State programs; and

(ii) the subsequent use of the information by persons described in clause (i) only for such administration or enforcement;

(B) the safeguards shall not prevent the use or disclosure of such information to the Comptroller General of the United States for audit and examination authorized by any other provision of law;

(C) notwithstanding any other provision of law, all information obtained under this Act from an applicant household shall be made available, upon request, to local, State or Federal law enforcement officials for the purpose of investigating an alleged violation of this Act or any regulation issued under this Act;

(D) the safeguards shall not prevent the use by, or disclosure of such information, to agencies of the Federal Government (including the United States Postal Service) for purposes of collecting the amount of an overissuance of benefits, as determined under section 13(b) of this Act, from Federal pay (including salaries and pensions) as authorized pursuant to section 5514 of title 5 of the United States Code or a Federal income tax refund as authorized by section 3720A of title 31, United States Code;

(E) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

(i) the member—

(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

- (ii) locating or apprehending the member is an official duty; and
 - (iii) the request is being made in the proper exercise of an official duty; and
 - (F) the safeguards shall not prevent compliance with paragraph (15) or (18)(B) or subsection (u);
- (9) that the State agency shall—
- (A) provide benefits no later than 7 days after the date of application to any household which—
 - (i)(I) has gross income that is less than \$150 per month; or
 - (II) is a destitute migrant or a seasonal farmworker household in accordance with the regulations governing such households in effect July 1, 1982; and
 - (ii) has liquid resources that do not exceed \$100;
 - (B) provide benefits no later than 7 days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent, or mortgage, and utilities of the household; and
 - (C) to the extent practicable, verify the income and liquid resources of a household referred to in subparagraph (A) or (B) prior to issuance of benefits to the household;
- (10) for the granting of a fair hearing and a prompt determination thereafter to any household aggrieved by the action of the State agency under any provision of its plan of operation as it affects the participation of such household in the supplemental nutrition assistance program or by a claim against the household for an overissuance: *Provided*, That any household which timely requests such a fair hearing after receiving individual notice of agency action reducing or terminating its benefits within the household's certification period shall continue to participate and receive benefits on the basis authorized immediately prior to the notice of adverse action until such time as the fair hearing is completed and an adverse decision rendered or until such time as the household's certification period terminates, whichever occurs earlier, except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the date on which the action becomes effective. At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing;
- (11) upon receipt of a request from a household, for the prompt restoration in the form of benefits to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments shall not be restored for any period of time more than one year prior to the date the State agency receives a request for such restoration

from a household or the State agency is notified or otherwise discovers that a loss to a household has occurred;

(12) for the submission of such reports and other information as from time to time may be required by the Secretary;

(13) for indicators of expected performance in the administration of the program;

(14) that the State agency shall specify a plan of operation for providing supplemental nutrition assistance program benefits for households that are victims of a disaster; that such plan shall include, but not be limited to, procedures for informing the public about the disaster program and how to apply for its benefits, coordination with Federal and private disaster relief agencies and local government officials, application procedures to reduce hardship and inconvenience and deter fraud, and instruction of caseworkers in procedures for implementing and operating the disaster program;

(15) notwithstanding paragraph (8) of this subsection, for the immediate reporting to the Immigration and Naturalization Service by the State agency of a determination by personnel responsible for the certification or recertification of households that any member of a household is ineligible to receive supplemental nutrition assistance program benefits because that member is present in the United States in violation of the Immigration and Nationality Act;

(16) at the option of the State agency, for the establishment and operation of an automatic data processing and information retrieval system that meets such conditions as the Secretary may prescribe and that is designed to provide efficient and effective administration of the supplemental nutrition assistance program;

(17) at the option of the State agency, that information may be requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137 of the Social Security Act and that any additional information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act may be requested and utilized by the State agency described in section ~~3(t)(1)~~ 3(s)(1) to the extent permitted under the provisions of section 303(d) of the Social Security Act;

(18) that the State agency shall establish a system and take action on a periodic basis—

(A) to verify and otherwise ensure that an individual does not receive benefits in more than 1 jurisdiction within the State; and

(B) to verify and otherwise ensure that an individual who is placed under detention in a Federal, State, or local penal, correctional, or other detention facility for more than 30 days shall not be eligible to participate in the supplemental nutrition assistance program as a member of any household, except that—

(i) the Secretary may determine that extraordinary circumstances make it impracticable for the State agency to obtain information necessary to discontinue inclusion of the individual; and

(ii) a State agency that obtains information collected under section 1611(e)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(I)) pursuant to section 1611(e)(1)(I)(ii)(II) of that Act (42 U.S.C. 1382(e)(1)(I)(ii)(II)), or under another program determined by the Secretary to be comparable to the program carried out under that section, shall be considered in compliance with this subparagraph.

(19) the plans of the State agency for carrying out employment and training programs under section 6(d)(4), including the nature and extent of such programs, the **【geographic areas and households to be covered under such program, and the basis, including any cost information,】** *extent to which such programs will be carried out in coordination with the activities carried out under title I of the Workforce Innovation and Opportunity Act, the plan for meeting the minimum services requirement under section 6(d)(4)(A)(ii) including any cost information, and the basis for exemptions of categories and individuals and for the choice of employment and training program components reflected in the plans;*

(20) in a project area in which 5,000 or more households participate in the supplemental nutrition assistance program, for the establishment and operation of a unit for the detection of fraud in the supplemental nutrition assistance program, including the investigation, and assistance in the prosecution, of such fraud;

(21) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of benefits from unemployment compensation pursuant to section 13(c);

(22) the guidelines the State agency uses in carrying out section 6(i);

(23) if a State elects to carry out a **【Simplified Supplemental Nutrition Assistance Program】** *simplified supplemental nutrition assistance program* under section 26, the plans of the State agency for operating the program, including—

(A) the rules and procedures to be followed by the State agency to determine supplemental nutrition assistance program benefits;

(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

(C) a description of the method by which the State agency will carry out a quality control system under section 16(c);

(24) that the State agency shall request wage data directly from the National Directory of New Hires established under section 453(i) of the Social Security Act (42 U.S.C. 653(i)) relevant to determining eligibility to receive supplemental nutrition assistance program benefits and determining the correct amount of those benefits at the time of certification; **【and】**

(25) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs (3), (4), and (9) of section 3(k)—

(A) the plans of the State agency for operating the program, including—

(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i); and

(26) that the State agency shall collect and submit supplemental nutrition assistance program data to the Duplicative Enrollment Database established in section 30, in accordance with guidance or rules issued by the Secretary establishing a uniform method and format for the collection and submission of data, including for each member of a participating household—

(A) the social security number or the social security number substitute;

(B) the employment status of such member;

(C) the amount of income and whether that income is earned or unearned;

(D) that member's portion of the household monthly allotment, and

(E) the portion of the aggregate value of household assets attributed to that member.

(g) If the Secretary determines, upon information received by the Secretary, investigation initiated by the Secretary, or investigation that the Secretary shall initiate upon receiving sufficient information evidencing a pattern of lack of compliance by a State agency of a type specified in this subsection, that in the administration of the supplemental nutrition assistance program there is a failure by a State agency without good cause to comply with any of the provisions of this Act, the regulations issued pursuant to this Act, the State plan of operation submitted pursuant to subsection (d) of this section, the State plan for automated data processing submitted pursuant to subsection (o)(2) of this section, or the requirements established pursuant to section 23 of this Act, the Secretary shall immediately inform such State agency of such failure and shall allow the State agency a specified period of time for the correction of such failure. If the State agency does not correct such failure within that specified period, the Secretary may refer the matter to the

Attorney General with a request that injunctive relief be sought to require compliance forthwith by the State agency and, upon suit by the Attorney General in an appropriate district court of the United States having jurisdiction of the geographic area in which the State agency is located and a showing that noncompliance has occurred, appropriate injunctive relief shall issue, and, whether or not the Secretary refers such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under sections 16(a), 16(c), and 16(g) of this Act as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14 of this Act.

(h) If the Secretary determines that there has been negligence or fraud on the part of the State agency in the certification of applicant households, the State shall, upon request of the Secretary, deposit into the Treasury of the United States, a sum equal to the face value of any benefits issued as a result of such negligence or fraud.

(i) APPLICATION AND DENIAL PROCEDURES.—

(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law, households in which all members are applicants for or recipients of supplemental security income shall be informed of the availability of benefits under the supplemental nutrition assistance program and be assisted in making a simple application to participate in such program at the social security office and be certified for eligibility utilizing information contained in files of the Social Security Administration.

(2) DENIAL AND TERMINATION.—Except in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no household shall have its application to participate in the supplemental nutrition assistance program denied nor its benefits under the supplemental nutrition assistance program terminated solely on the basis that its application to participate has been denied or its benefits have been terminated under any of the programs carried out under the statutes specified in the second sentence of section 5(a) and without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the supplemental nutrition assistance program.

(j)(1) Any individual who is an applicant for or recipient of supplemental security income or social security benefits (under regulations prescribed by the Secretary in conjunction with the Commissioner of Social Security) shall be informed of the availability of benefits under the supplemental nutrition assistance program and informed of the availability of a simple application to participate in such program at the social security office.

(2) The Secretary and the Commissioner of Social Security shall revise the memorandum of understanding in effect on the date of enactment of the Food Security Act of 1985, regarding services to be provided in social security offices under this subsection and subsection (i), in a manner to ensure that—

(A) applicants for and recipients of social security benefits are adequately notified in social security offices that assistance may be available to them under this Act;

(B) applications for assistance under this Act from households in which all members are applicants for or recipients of supplemental security income will be forwarded immediately to the State agency in an efficient and timely manner; and

(C) the Commissioner of Social Security receives from the Secretary reimbursement for costs incurred to provide such services.

(k) Subject to the approval of the President, post offices in all or part of the State may provide, on request by the State agency, supplemental nutrition assistance program benefits to eligible households.

(l) Whenever the ratio of a State's average supplemental nutrition assistance program participation in any quarter of a fiscal year to the State's total population in that quarter (estimated on the basis of the latest available population estimates as provided by the Department of Commerce, Bureau of the Census, Series P-25, Current Population Reports (or its successor series)) exceeds 60 per centum, the Office of the Inspector General of the Department of Agriculture shall immediately schedule a financial audit review of a sample of project areas within that State. Any financial audit review subsequent to the first such review, required under the preceding sentence, shall be conducted at the option of the Office of the Inspector General.

(m) The Secretary shall provide for the use of fee agents in rural Alaska. As used in this subsection "fee agent" means a paid agent who, although not a State employee, is authorized by the State to make applications available to low-income households, assist in the completion of applications, conduct required interviews, secure required verification, forward completed applications and supporting documentation to the State agency, and provide other services as required by the State agency. Such services shall not include making final decisions on household eligibility or benefit levels.

(n) The Secretary shall require State agencies to conduct verification and implement other measures where necessary, but no less often than annually, to assure that an individual does not receive both benefits and benefits or payments referred to in section 6(g) or both benefits and assistance provided in lieu of benefits under section 17(b)(1).

(o)(1) The Secretary shall develop, after consultation with, and with the assistance of, an advisory group of State agencies appointed by the Secretary without regard to the provisions of the Federal Advisory Committee Act, a model plan for the comprehensive automation of data processing and computerization of information systems under the supplemental nutrition assistance program. The plan shall be developed and made available for public comment through publication of the proposed plan in the Federal Register not later than October 1, 1986. The Secretary shall complete the plan, taking into consideration public comments received, not later than February 1, 1987. The elements of the plan may include intake procedures, eligibility determinations and calculation of benefits, verification procedures, coordination with related Federal and State programs, the issuance of benefits, reconciliation procedures, the generation of notices, and program reporting. In developing the plan, the Secretary shall take into account automated data proc-

essing and information systems already in existence in States and shall provide for consistency with such systems.

(2) Not later than October 1, 1987, each State agency shall develop and submit to the Secretary for approval a plan for the use of an automated data processing and information retrieval system to administer the supplemental nutrition assistance program in such State. The State plan shall take into consideration the model plan developed by the Secretary under paragraph (1) and shall provide time frames for completion of various phases of the State plan. If a State agency already has a sufficient automated data processing and information retrieval system, the State plan may, subject to the Secretary's approval, reflect the existing State system.

(3) Not later than April 1, 1988, the Secretary shall prepare and submit to Congress an evaluation of the degree and sufficiency of each State's automated data processing and computerized information systems for the administration of the supplemental nutrition assistance program, including State plans submitted under paragraph (2). Such report shall include an analysis of additional steps needed for States to achieve effective and cost-efficient data processing and information systems. The Secretary, thereafter, shall periodically update such report.

(4) Based on the Secretary's findings in such report submitted under paragraph (3), the Secretary may require a State agency, as necessary to rectify identified shortcomings in the administration of the supplemental nutrition assistance program in the State, except where such direction would displace State initiatives already under way, to take specified steps to automate data processing systems or computerize information systems for the administration of the supplemental nutrition assistance program in the State if the Secretary finds that, in the absence of such systems, there will be program accountability or integrity problems that will substantially affect the administration of the supplemental nutrition assistance program in the State.

(5)(A) Subject to subparagraph (B), in the case of a plan for an automated data processing and information retrieval system submitted by a State agency to the Secretary under paragraph (2), such State agency shall—

(i) commence implementation of its plan not later than October 1, 1988; and

(ii) meet the time frames set forth in the plan.

(B) The Secretary shall extend a deadline imposed under subparagraph (A) to the extent the Secretary deems appropriate based on the Secretary's finding of a good faith effort of a State agency to implement its plan in accordance with subparagraph (A).

(p) STATE VERIFICATION OPTION.—In carrying out the supplemental nutrition assistance program, a State agency shall be required to use an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7), and an income and eligibility verification system, in accordance with standards set by the Secretary.

(q) DENIAL OF BENEFITS FOR PRISONERS.—The Secretary shall assist States, to the maximum extent practicable, in implementing a system to conduct computer matches or other systems to prevent prisoners described in subsection (e)(18)(B) from participating in

the supplemental nutrition assistance program as a member of any household.

(r) DENIAL OF BENEFITS FOR DECEASED INDIVIDUALS.—Each State agency shall—

(1) enter into a cooperative arrangement with the Commissioner of Social Security, pursuant to the authority of the Commissioner under section 205(r)(3) of the Social Security Act (42 U.S.C. 405(r)(3)), to obtain information on individuals who are deceased; and

(2) use the information to verify and otherwise ensure that benefits are not issued to individuals who are deceased.

(s) **TRANSITIONAL BENEFITS OPTION.—** *TRANSITIONAL BENEFITS.—*

(1) **IN GENERAL.—**A State agency **may** *shall* provide transitional supplemental nutrition assistance program benefits—

(A) to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(B) **at the option of the State,** to a household with children that ceases to receive cash assistance under a State-funded public assistance program.

(2) **TRANSITIONAL BENEFITS PERIOD.—**Under paragraph (1), a household **may** *shall* receive transitional supplemental nutrition assistance program benefits for a period of **not more than** 5 months after the date on which cash assistance is terminated.

(3) **AMOUNT OF BENEFITS.—**During the transitional benefits period under paragraph (2), a household shall receive an amount of supplemental nutrition assistance program benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for the change in household income as a result of—

(A) the termination of cash assistance; and

(B) at the option of the State agency, information from another program in which the household participates.

(4) **DETERMINATION OF FUTURE ELIGIBILITY.—**In the final month of the transitional benefits period under paragraph (2), the State agency may—

(A) require the household to cooperate in a recertification of eligibility; and

(B) initiate a new certification period for the household without regard to whether the preceding certification period has expired.

(5) **LIMITATION.—**A household shall not be eligible for transitional benefits under this subsection if the household—

(A) loses eligibility under section 6;

(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.

(6) **APPLICATIONS FOR RECERTIFICATION.—**

(A) **IN GENERAL.—**A household receiving transitional benefits under this subsection may apply for recertification

at any time during the transitional benefits period under paragraph (2).

(B) DETERMINATION OF ALLOTMENT.—If a household applies for recertification under subparagraph (A), the allotment of the household for all subsequent months shall be determined without regard to this subsection.

(t) **GRANTS FOR SIMPLE APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS AND IMPROVED ACCESS TO BENEFITS.—** *GRANTS FOR SIMPLIFIED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.—*

(1) IN GENERAL.—Subject to the availability of appropriations under section 18(a), for each fiscal year, the Secretary shall use not more than \$5,000,000 of funds made available under section 18(a)(1) to make grants to pay 100 percent of the costs of eligible entities approved by the Secretary to carry out projects to develop and **implement—** *implement simplified supplemental nutrition assistance program application and eligibility determination systems.*

[(A) simple supplemental nutrition assistance program application and eligibility determination systems; or

[(B) measures to improve access to supplemental nutrition assistance program benefits by eligible households.]

(2) TYPES OF PROJECTS.—A project under paragraph (1) may consist of—

(A) coordinating application and eligibility determination processes, including verification practices, under the supplemental nutrition assistance program and other Federal, State, and local assistance programs;

[(B) establishing methods for applying for benefits and determining eligibility that—

[(i) more extensively use—

[(I) communications by telephone; and

[(II) electronic alternatives such as the Internet; or

[(ii) otherwise improve the administrative infrastructure used in processing applications and determining eligibility;]

(B) establishing enhanced technological methods for applying for benefits and determining eligibility that improve the administrative infrastructure used in processing applications and determining eligibility; or

[(C) developing procedures, training materials, and other resources aimed at reducing barriers to participation and reaching eligible households;

[(D) improving methods for informing and enrolling eligible households; or

[(E) (C) carrying out such other activities as the Secretary determines to be appropriate.

(3) LIMITATION.—A grant under this subsection shall not be made for the ongoing cost of carrying out any project.

(4) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this subsection, an entity shall be—

(A) a State agency administering the supplemental nutrition assistance program;

- (B) a State or local government;
 - (C) an agency providing health or welfare services;
 - (D) a public health or educational entity; or
 - (E) a private nonprofit entity such as a community-based organization, food bank, or other emergency feeding organization.
- (5) SELECTION OF ELIGIBLE ENTITIES.—The Secretary—
- (A) shall develop criteria for the selection of eligible entities to receive grants under this subsection; and
 - (B) may give preference to any eligible entity that consists of a partnership between a governmental entity and a nongovernmental entity.
- (u) AGREEMENT FOR DIRECT CERTIFICATION AND COOPERATION.—
- (1) IN GENERAL.—Each State agency shall enter into an agreement with the State agency administering the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).
 - (2) CONTENTS.—The agreement shall establish procedures that ensure that—
 - (A) any child receiving benefits under this Act shall be certified as eligible for free lunches under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and free breakfasts under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), without further application; and
 - (B) each State agency shall cooperate in carrying out paragraphs (3)(F) and (4) of section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)).
- (v) DATA EXCHANGE STANDARDS FOR IMPROVED INTEROPERABILITY.—
- (1) DESIGNATION.—The Secretary shall, in consultation with an interagency work group established by the Office of Management and Budget, and considering State government perspectives, designate data exchange standards to govern, under this Act—
 - (A) necessary categories of information that State agencies operating related programs are required under applicable law to electronically exchange with another State agency; and
 - (B) Federal reporting and data exchange required under applicable law.
 - (2) REQUIREMENTS.—The data exchange standards required by paragraph (1) shall, to the maximum extent practicable—
 - (A) incorporate a widely accepted, nonproprietary, searchable, computer-readable format, such as the eXtensible Markup Language;
 - (B) contain interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model;
 - (C) incorporate interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance;
 - (D) be consistent with and implement applicable accounting principles;
 - (E) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and

(F) be capable of being continually upgraded as necessary.

(3) RULES OF CONSTRUCTION.—Nothing in this subsection requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.

* * * * *

VIOLETIONS AND ENFORCEMENT

SEC. 15. (a) Notwithstanding any other provision of this Act, the Secretary may provide for the issuance or presentment for redemption of benefits to such person or persons, and at such times and in such manner, as the Secretary deems necessary or appropriate to protect the interests of the United States or to ensure enforcement of the provisions of this Act or the regulations issued pursuant to this Act.

(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses benefits in any manner contrary to this Act or the regulations issued pursuant to this Act shall, if such benefits are of a value of \$5,000 or more, be guilty of a felony and shall be fined not more than \$250,000 or imprisoned for not more than twenty years, or both, and shall, if such benefits are of a value of \$100 or more, but less than \$5,000, or if the item used, transferred, acquired, altered, or possessed is a benefit that has a value of \$100 or more, but less than \$5,000, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than \$10,000 or, if such benefits are of a value of less than \$100, or if the item used, transferred, acquired, altered, or processed is a benefit that has a value of less than \$100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the supplemental nutrition assistance program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(c) Whoever presents, or causes to be presented, benefits for payment or redemption of the value of \$100 or more, knowing the

same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than \$20,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than \$20,000, or, if such benefits are of a value of less than \$100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the supplemental nutrition assistance program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

(d) Benefits issued pursuant to this Act shall be deemed to be obligations of the United States within the meaning of section 8 of title 18, United States Code.

(e) The Secretary may subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value that are furnished by any person in [exchange for coupons, authorization cards or access devices, or anything] *exchange for benefits, or anything* of value obtained by use of an access device, in any manner contrary to this Act or the regulations issued under this Act. Any forfeiture and disposal of property forfeited under this subsection shall be conducted in accordance with procedures contained in regulations issued by the Secretary.

(f) CRIMINAL FORFEITURE.—

(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in paragraph (2).

(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

SEC. 16. (a) Subject to subsection (k), the Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs involved in each State agency's operation of the supplemental nutrition assistance program, which costs shall include, but not be limited to, the cost of (1) the certification of applicant households, (2) the acceptance, storage, protection, control, and accounting of benefits after their delivery to receiving points within the State, (3) the issuance of benefits to all eligible households, (4) informational activities relating to the supplemental nutrition assistance program, including those undertaken under section 11(e)(1)(A), but not including recruitment activities designed to persuade an individual to apply for program benefits or that promote the program through television, radio, or billboard advertisements, (5) fair hearings, (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) supplemental nutrition assistance program investigations and prosecutions, and (8) implementing and operating the immigration status verification system established under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d)): *Provided*, That the Secretary is authorized at the Secretary's discretion to pay any State agency administering the supplemental nutrition assistance program on all or part of an Indian reservation under section 11(d) of this Act or in a Native village within the State of Alaska identified in section 11(b) of Public Law 92-203, such amounts for administrative costs as the Secretary determines to be necessary for effective operation of the supplemental nutrition assistance program, as well as to permit each State to retain [35 percent] 50 percent of the value of all funds or allotments recovered or collected pursuant to sections 6(b) and 13(c) and 20 percent of the value of any other funds or allotments recovered or collected, except the value of funds or allotments recovered or collected that arise from an error of a State agency. *A State agency may use such funds retained only to carry out the supplemental nutrition assistance program, including investments in technology, improvements in administration and distribution, and actions to prevent fraud.* The officials responsible for making determinations of ineligibility under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection.

[(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

[(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term "work supplementation or support program" means a program under which, as determined by the Secretary, public assistance (including any bene-

fits provided under a program established by the State and the supplemental nutrition assistance program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

[(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the supplemental nutrition assistance program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

[(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the supplemental nutrition assistance program that contains an individual who is participating in the work supplementation or support program—

[(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

[(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

[(C) for purposes of—

[(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

[(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

[(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

[(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

[(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

[(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.】

(c) QUALITY CONTROL SYSTEM.—

(1) IN GENERAL.—

(A) SYSTEM.—

(i) IN GENERAL.—In carrying out the supplemental nutrition assistance program, the Secretary shall carry

out a system that enhances payment accuracy and improves administration by establishing fiscal incentives that require State agencies with high payment error rates to share in the cost of payment error.

(ii) TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS.—The Secretary shall set the tolerance level for excluding small errors for the purposes of this subsection—

(I) for fiscal year 2014, at an amount not greater than \$37; **[and]**

(II) for each **[fiscal year thereafter]** *of the fiscal years 2015 through 2017*, the amount specified in subclause (I) adjusted by the percentage by which the thrifty food plan is adjusted under section 3(u)(4) between June 30, 2013, and June 30 of the immediately preceding fiscal year**[.]**; *and*

(III) for each fiscal year thereafter, \$0.

(B) ADJUSTMENT OF FEDERAL SHARE OF ADMINISTRATIVE COSTS FOR FISCAL YEARS BEFORE FISCAL YEAR 2003.—

(i) IN GENERAL.—Subject to clause (ii), with respect to any fiscal year before fiscal year 2003, the Secretary shall adjust a State agency’s federally funded share of administrative costs under subsection (a), other than the costs already shared in excess of 50 percent under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing that share of all such administrative costs by 1 percentage point to a maximum of 60 percent of all such administrative costs for each full $\frac{1}{10}$ of a percentage point by which the payment error rate is less than 6 percent.

(ii) LIMITATION.—Only States with a rate of invalid decisions in denying eligibility that is less than a nationwide percentage that the Secretary determines to be reasonable shall be entitled to the adjustment under clause (i).

(C) ESTABLISHMENT OF LIABILITY AMOUNT FOR FISCAL YEAR 2003 AND THEREAFTER.—With respect to **[fiscal year 2004 and any fiscal year thereafter for which the Secretary determines that, for the second]** *any of the fiscal years 2004 through 2018 for which the Secretary determines that for the second or subsequent consecutive fiscal year, and with respect to fiscal year 2019 and any fiscal year thereafter for which the Secretary determines that for the third or subsequent consecutive fiscal year, a 95 percent statistical probability exists that the payment error rate of a State agency exceeds 105 percent of the national performance measure for payment error rates announced under paragraph (6), the Secretary shall establish an amount for which the State agency may be liable (referred to in this paragraph as the “liability amount”)* that is equal to the product obtained by multiplying—

(i) the value of all allotments issued by the State agency in the fiscal year;

(ii) the difference between—

- (I) the payment error rate of the State agency; and
- (II) 6 percent; and
- (iii) 10 percent.

(D) AUTHORITY OF SECRETARY WITH RESPECT TO LIABILITY AMOUNT.—With respect to the liability amount established for a State agency under subparagraph (C) for any fiscal year, the Secretary shall—

(i)
 (I) require that a portion, not to exceed 50 percent, of the liability amount established for the fiscal year be used by the State agency for new investment, approved by the Secretary, to improve administration by the State agency of the supplemental nutrition assistance program (referred to in this paragraph as the “new investment amount”), which new investment amount shall not be matched by Federal funds;

(II) designate a portion, not to exceed 50 percent, of the amount established for the fiscal year for payment to the Secretary in accordance with subparagraph (E) (referred to in this paragraph as the “at-risk amount”); or

(III) take any combination of the actions described in subclauses (I) and (II); or

(ii) make the determinations described in clause (i) and enter into a settlement with the State agency, only with respect to any new investment amount, before the end of the fiscal year in which the liability amount is determined under subparagraph (C).

(E) PAYMENT OF AT-RISK AMOUNT FOR CERTAIN STATES.—

(i) IN GENERAL.—A State agency shall pay to the Secretary the at-risk amount designated under subparagraph (D)(i)(II) for any fiscal year in accordance with clause (ii), if, with respect to the immediately following fiscal year, a liability amount has been established for the State agency under subparagraph (C).

(ii) METHOD OF PAYMENT OF AT-RISK AMOUNT.—

(I) REMISSION TO THE SECRETARY.—In the case of a State agency required to pay an at-risk amount under clause (i), as soon as practicable after completion of all administrative and judicial reviews with respect to that requirement to pay, the chief executive officer of the State shall remit to the Secretary the at-risk amount required to be paid.

(II) ALTERNATIVE METHOD OF COLLECTION.—

(aa) IN GENERAL.—If the chief executive officer of the State fails to make the payment under subclause (I) within a reasonable period of time determined by the Secretary, the Secretary may reduce any amount due to the State agency under any other provision of this section by the amount required to be paid under clause (i).

(bb) ACCRUAL OF INTEREST.—During any period of time determined by the Secretary under item (aa), interest on the payment under subclause (I) shall not accrue under section 13(a)(2).

(F) USE OF PORTION OF LIABILITY AMOUNT FOR NEW INVESTMENT.—

(i) REDUCTION OF OTHER AMOUNTS DUE TO STATE AGENCY.—In the case of a State agency that fails to comply with a requirement for new investment under subparagraph (D)(i)(I) or clause (iii)(I), the Secretary may reduce any amount due to the State agency under any other provision of this section by the portion of the liability amount that has not been used in accordance with that requirement.

(ii) EFFECT OF STATE AGENCY'S WHOLLY PREVAILING ON APPEAL.—If a State agency begins required new investment under subparagraph (D)(i)(I), the State agency appeals the liability amount of the State agency, and the determination by the Secretary of the liability amount is reduced to \$0 on administrative or judicial review, the Secretary shall pay to the State agency an amount equal to 50 percent of the new investment amount that was included in the liability amount subject to the appeal.

(iii) EFFECT OF SECRETARY'S WHOLLY PREVAILING ON APPEAL.—If a State agency does not begin required new investment under subparagraph (D)(i)(I), the State agency appeals the liability amount of the State agency, and the determination by the Secretary of the liability amount is wholly upheld on administrative or judicial review, the Secretary shall—

(I) require all or any portion of the new investment amount to be used by the State agency for new investment, approved by the Secretary, to improve administration by the State agency of the supplemental nutrition assistance program, which amount shall not be matched by Federal funds; and

(II) require payment of any remaining portion of the new investment amount in accordance with subparagraph (E)(ii).

(iv) EFFECT OF NEITHER PARTY'S WHOLLY PREVAILING ON APPEAL.—The Secretary shall promulgate regulations regarding obligations of the Secretary and the State agency in a case in which the State agency appeals the liability amount of the State agency and neither the Secretary nor the State agency wholly prevails.

(G) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies, other than State agencies with payment error rates of less than 6 percent, to develop and implement corrective action plans to reduce payment errors.

(2) As used in this section—

(A) the term “payment error rate” means the sum of the point estimates of an overpayment error rate and an underpayment error rate determined by the Secretary from data collected in a probability sample of participating households;

(B) the term “overpayment error rate” means the percentage of the value of all allotments issued in a fiscal year by a State agency that are either—

(i) issued to households that fail to meet basic program eligibility requirements; or

(ii) overissued to eligible households; and

(C) the term “underpayment error rate” means the ratio of the value of allotments underissued to recipient households to the total value of allotments issued in a fiscal year by a State agency.

(3) The following errors may be measured for management purposes but shall not be included in the payment error rate:

(A) Any errors resulting in the application of new regulations promulgated under this Act during the first 120 days from the required implementation date for such regulations.

(B) Errors resulting from the use by a State agency of correctly processed information concerning households or individuals received from Federal agencies or from actions based on policy information approved or disseminated, in writing, by the Secretary or the Secretary’s designee.

(4) REPORTING REQUIREMENTS.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency’s payment error rate, liability amount or new investment amount under paragraph (1), or performance under the performance measures under subsection (d). If a State agency fails to meet the reporting requirements established by the Secretary, *including providing access to applicable State records and the entire information systems in which the records are contained*, the Secretary shall base the determination on all pertinent information available to the Secretary.

(5) PROCEDURES.—To facilitate the implementation of this subsection, each State agency shall expeditiously submit to the Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the State agency’s payment error rate, liability amount or new investment amount under paragraph (1), or performance under the performance measures under subsection (d). The Secretary shall initiate efforts to collect the amount owed by the State agency as a claim established under paragraph (1) for a fiscal year, subject to the conclusion of any formal or informal appeal procedure and administrative or judicial review under section 14 (as provided for in paragraph (7)), before the end of the fiscal year following such fiscal year.

(6) NATIONAL PERFORMANCE MEASURE FOR PAYMENT ERROR RATES.—

(A) ANNOUNCEMENT.—At the time the Secretary makes the notification to State agencies of their error rates, the Secretary shall also announce a national performance measure that shall be the sum of the products of each State agency’s error rate as developed for the notifications

under paragraph (8) times that State agency's proportion of the total value of national allotments issued for the fiscal year using the most recent issuance data available at the time of the notifications issued pursuant to paragraph (8).

(B) USE OF ALTERNATIVE MEASURE OF STATE ERROR.—Where a State fails to meet reporting requirements pursuant to paragraph (4), the Secretary may use another measure of a State's error developed pursuant to paragraph (8), to develop the national performance measure.

(C) USE OF NATIONAL PERFORMANCE MEASURE.—The announced national performance measure shall be used in determining the liability amount of a State under paragraph (1)(C) for the fiscal year whose error rates are being announced under paragraph (8).

(D) NO ADMINISTRATIVE OR JUDICIAL REVIEW.—The national performance measure announced under this paragraph shall not be subject to administrative or judicial review.

(7) ADMINISTRATIVE AND JUDICIAL REVIEW.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), if the Secretary asserts a financial claim against or establishes a liability amount with respect to a State agency under paragraph (1), the State may seek administrative and judicial review of the action pursuant to section 14.

(B) DETERMINATION OF PAYMENT ERROR RATE.—With respect to any fiscal year, a determination of the payment error rate of a State agency or a determination whether the payment error rate exceeds 105 percent of the national performance measure for payment error rates shall be subject to administrative or judicial review only if the Secretary establishes a liability amount with respect to the fiscal year under paragraph (1)(C).

(C) AUTHORITY OF SECRETARY WITH RESPECT TO LIABILITY AMOUNT.—An action by the Secretary under subparagraph (D) or (F)(iii) of paragraph (1) shall not be subject to administrative or judicial review.

(8)(A) This paragraph applies to the determination of whether a payment is due by a State agency for a fiscal year under paragraph (1).

(B) Not later than the first May 31 after the end of the fiscal year referred to in subparagraph (A), the case review and all arbitrations of State-Federal difference cases shall be completed.

(C) Not later than the first June 30 after the end of the fiscal year referred to in subparagraph (A), the Secretary shall—

(i) determine final error rates, the national average payment error rate, and the amounts of payment claimed against State agencies or liability amount established with respect to State agencies;

(ii) notify State agencies of the payment claims or liability amounts; and

(iii) provide a copy of the document providing notification under clause (ii) to the chief executive officer and the legislature of the State.

(D) A State agency desiring to appeal a payment claim or liability amount determined under subparagraph (C) shall submit to an administrative law judge—

(i) a notice of appeal, not later than 10 days after receiving a notice of the claim or liability amount; and

(ii) evidence in support of the appeal of the State agency, not later than 60 days after receiving a notice of the claim or liability amount.

(E) Not later than 60 days after a State agency submits evidence in support of the appeal, the Secretary shall submit responsive evidence to the administrative law judge to the extent such evidence exists.

(F) Not later than 30 days after the Secretary submits responsive evidence, the State agency shall submit rebuttal evidence to the administrative law judge to the extent such evidence exists.

(G) The administrative law judge, after an evidentiary hearing, shall decide the appeal—

(i) not later than 60 days after receipt of rebuttal evidence submitted by the State agency; or

(ii) if the State agency does not submit rebuttal evidence, not later than 90 days after the State agency submits the notice of appeal and evidence in support of the appeal.

(H) In considering a claim or liability amount under this paragraph, the administrative law judge shall consider all grounds for denying the claim or liability amount, in whole or in part, including the contention of a State agency that the claim or liability amount should be waived, in whole or in part, for good cause.

(I) The deadlines in subparagraphs (D), (E), (F), and (G) shall be extended by the administrative law judge for cause shown.

(9) As used in this subsection, the term “good cause” includes—

(A) a natural disaster or civil disorder that adversely affects supplemental nutrition assistance program operations;

(B) a strike by employees of a State agency who are necessary for the determination of eligibility and processing of case changes under the supplemental nutrition assistance program;

(C) a significant growth in the caseload under the supplemental nutrition assistance program in a State prior to or during a fiscal year, such as a 15 percent growth in caseload;

(D) a change in the supplemental nutrition assistance program or other Federal or State program that has a substantial adverse impact on the management of the supplemental nutrition assistance program of a State; and

(E) a significant circumstance beyond the control of the State agency.

(d) **[BONUSES FOR STATES THAT DEMONSTRATE HIGH OR MOST IMPROVED PERFORMANCE.—] STATE PERFORMANCE INDICATORS.—**

(1) **FISCAL YEARS 2003 AND 2004.—**

(A) **GUIDANCE.—**With respect to fiscal years 2003 and 2004, the Secretary shall establish, in guidance issued to State agencies not later than October 1, 2002—

(i) performance criteria relating to—

(I) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and

- (II) other indicators of effective administration determined by the Secretary; and
 - (ii) standards for high and most improved performance to be used in awarding performance bonus payments under subparagraph (B)(ii).
- (B) PERFORMANCE BONUS PAYMENTS.—With respect to each of fiscal years 2003 and 2004, the Secretary shall—
- (i) measure the performance of each State agency with respect to the criteria established under subparagraph (A)(i); and
 - (ii) subject to paragraph (3), award performance bonus payments in the following fiscal year, in a total amount of \$48,000,000 for each fiscal year, to State agencies that meet standards for high or most improved performance established by the Secretary under subparagraph (A)(ii).
- (2) FISCAL YEARS 2005 **【AND THEREAFTER】** *THROUGH 2017*.—
- (A) REGULATIONS.—With respect to fiscal year 2005 **【and each fiscal year thereafter】** *through fiscal year 2017*, the Secretary shall—
- (i) establish, by regulation, performance criteria relating to—
 - (I) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and
 - (II) other indicators of effective administration determined by the Secretary;
 - (ii) establish, by regulation, standards for high and most improved performance to be used in awarding performance bonus payments under subparagraph (B)(ii); and
 - (iii) before issuing proposed regulations to carry out clauses (i) and (ii), solicit ideas for performance criteria and standards for high and most improved performance from State agencies and organizations that represent State interests.
- (B) PERFORMANCE BONUS PAYMENTS.—With respect to fiscal year 2005 **【and each fiscal year thereafter】** *through fiscal year 2017*, the Secretary shall—
- (i) measure the performance of each State agency with respect to the criteria established under subparagraph (A)(i); and
 - (ii) subject to paragraph (3), award performance bonus payments in the following fiscal year, in a total amount of \$48,000,000 for each fiscal year, to State agencies that meet standards for high or most improved performance established by the Secretary under subparagraph (A)(ii).
- (3) PROHIBITION ON RECEIPT OF PERFORMANCE BONUS PAYMENTS.—A State agency shall not be eligible for a performance bonus payment with respect to any fiscal year for which the State agency has a liability amount established under subsection (c)(1)(C).
- (4) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to

award a performance bonus payment under this subsection shall not be subject to administrative or judicial review.

(5) USE OF PERFORMANCE BONUS PAYMENTS.—A State agency may use a performance bonus payment received under this subsection only to carry out the program established under this Act, including investments in—

(A) technology;

(B) improvements in administration and distribution;

and

(C) actions to prevent fraud, waste, and abuse.

(6) FISCAL YEAR 2018 AND FISCAL YEARS THEREAFTER.—*With respect to fiscal year 2018 and each fiscal year thereafter, the Secretary shall establish, by regulation, performance criteria relating to—*

(A) actions taken to correct errors, reduce rates of error, and improve eligibility determinations; and

(B) other indicators of effective administration determined by the Secretary.

(e) The Secretary and State agencies shall (1) require, as a condition of eligibility for participation in the supplemental nutrition assistance program, that each household member furnish to the State agency their social security account number (or numbers, if they have more than one number), and (2) use such account numbers in the administration of the supplemental nutrition assistance program. The Secretary and State agencies shall have access to the information regarding individual supplemental nutrition assistance program applicants and participants who receive benefits under title XVI of the Social Security Act that has been provided to the Commissioner of Social Security, but only to the extent that the Secretary and the Commissioner of Social Security determine necessary for purposes of determining or auditing a household's eligibility to receive assistance or the amount thereof under the supplemental nutrition assistance program, or verifying information related thereto.

(f) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of officers and employees of the Department of Agriculture may be paid in judicial or administrative proceedings to which such officers and employees have been made parties and that arise directly out of their performance of duties under this Act.

(g) COST SHARING FOR COMPUTERIZATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the Secretary is authorized to pay to each State agency the amount provided under subsection (a)(6) for the costs incurred by the State agency in the planning, design, development, or installation of 1 or more automatic data processing and information retrieval systems that the Secretary determines—

(A) would assist in meeting the requirements of this Act;

(B) meet such conditions as the Secretary prescribes;

(C) are likely to provide more efficient and effective administration of the supplemental nutrition assistance program;

(D) would be compatible with other systems used in the administration of State programs, including the program

funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(E) would be tested adequately before and after implementation, including through pilot projects in limited areas for major systems changes as determined under rules promulgated by the Secretary, data from which shall be thoroughly evaluated before the Secretary approves the system to be implemented more broadly; **and**

(F) would be operated in accordance with an adequate plan for—

(i) continuous updating to reflect changed policy and circumstances; and

(ii) testing the effect of the system on access for eligible households and on payment accuracy~~].~~; *and*

(G) would be accessible by the Secretary for the purposes of program oversight and would be used by the State agency to make available all records required by the Secretary.

(2) LIMITATION.—The Secretary shall not make payments to a State agency under paragraph (1) to the extent that the State agency—

(A) is reimbursed for the costs under any other Federal program; or

(B) uses the systems for purposes not connected with the supplemental nutrition assistance program.

(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—

(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies, to remain available for 24 months, from funds made available for each fiscal year under section 18(a)(1), **[\$90,000,000 for each fiscal year.]** *under section 18(a)(1)—*

(i) \$90,000,000 for fiscal year 2019;

(ii) \$250,000,000 for fiscal year 2020; and

(iii) \$1,000,000,000 for each fiscal year thereafter.

(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

(i) is determined and adjusted by the Secretary; and

[(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).]

(ii) takes into account—

(I) for fiscal years 2019 and 2020, the number of individuals who are not exempt from the work requirement under section 6(o) as that section existed on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018; and

(II) for fiscal years 2021 and each fiscal year thereafter, the number of individuals who are not exempt from the requirements under section 6(d)(1)(B).

(C) REALLOCATION.—

(i) IN GENERAL.—If a State agency will not expend all of the funds allocated to the State agency for a fis-

cal year under subparagraph (B), the Secretary shall reallocate the unexpended funds to other States (during the fiscal year or the subsequent fiscal year) as the Secretary considers appropriate and equitable.

(ii) TIMING.—The Secretary shall collect such information as the Secretary determines to be necessary about the expenditures and anticipated expenditures by the State agencies of the funds initially allocated to the State agencies under subparagraph (A) to make reallocations of unexpended funds under clause (i) within a timeframe that allows each State agency to which funds are reallocated at least 270 days to expend the reallocated funds.

(iii) OPPORTUNITY.—The Secretary shall ensure that all State agencies have an opportunity to obtain reallocated funds.

(D) MINIMUM ALLOCATION.—Notwithstanding subparagraph (B), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than ~~【\$50,000】~~ \$100,000 for each fiscal year.

【(E) ADDITIONAL ALLOCATIONS FOR STATES THAT ENSURE AVAILABILITY OF WORK OPPORTUNITIES.—

【(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(1), the Secretary shall allocate not more than \$20,000,000 for each fiscal year to reimburse a State agency that is eligible under clause (ii) for the costs incurred in serving members of households receiving supplemental nutrition assistance program benefits who—

【(I) are not eligible for an exception under section 6(o)(3); and

【(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).

【(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—

【(I) is in the last month of the 3-month period described in section 6(o)(2);

【(II) is not eligible for an exception under section 6(o)(3);

【(III) is not eligible for a waiver under section 6(o)(4); and

【(IV) is not exempt under section 6(o)(6).】

(E) RESERVATION OF FUNDS.—Of the funds made available under this paragraph for fiscal year 2021 and for each fiscal year thereafter, not more than \$150,000,000 shall be reserved for allocation to States to provide training services by eligible providers identified under section 122 of the Workforce Innovation and Opportunity Act for participants

in the supplemental nutrition assistance program to meet the hourly requirements under section 6(d)(1)(B) of this Act.

(F) PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK REQUIREMENTS AND WORK EFFORT UNDER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

(i) PILOT PROJECTS REQUIRED.—

(I) IN GENERAL.—The Secretary shall carry out pilot projects under which State agencies shall enter into cooperative agreements with the Secretary to develop and test methods, including operating work programs with certain features comparable to the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), for employment and training programs and services to raise the number of work registrants under section 6(d) of this Act (*as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018*) who obtain unsubsidized employment, increase the earned income of the registrants, and reduce the reliance of the registrants on public assistance, so as to reduce the need for supplemental nutrition assistance benefits.

(II) REQUIREMENTS.—Pilot projects shall—

(aa) meet such terms and conditions as the Secretary considers to be appropriate; and

(bb) except as otherwise provided in this subparagraph, be in accordance with the requirements of sections 6(d) and 20 (*as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018*).

(ii) SELECTION CRITERIA.—

(I) IN GENERAL.—The Secretary shall select pilot projects under this subparagraph in accordance with the criteria established under this clause and additional criteria established by the Secretary.

(II) QUALIFYING CRITERIA.—To be eligible to participate in a pilot project, a State agency shall—

(aa) agree to participate in the evaluation described in clause (vii), including providing evidence that the State has a robust data collection system for program administration and cooperating to make available State data on the employment activities and post-participation employment, earnings, and public benefit receipt of participants to ensure proper and timely evaluation;

(bb) commit to collaborate with the State workforce board and other job training programs in the State and local area; and

(cc) commit to maintain at least the amount of State funding for employment and training programs and services under paragraphs (2) and (3) and under section 20 (*as in effect on*

the day before the date of the enactment of the Agriculture and Nutrition Act of 2018) as the State expended for fiscal year 2013.

(III) SELECTION CRITERIA.—In selecting pilot projects, the Secretary shall—

(aa) consider the degree to which the pilot project would enhance existing employment and training programs in the State;

(bb) consider the degree to which the pilot project would enhance the employment and earnings of program participants;

(cc) consider whether there is evidence that the pilot project could be replicated easily by other States or political subdivisions;

(dd) consider whether the State agency has a demonstrated capacity to operate high quality employment and training programs; and

(ee) ensure the pilot projects, when considered as a group, test a range of strategies, including strategies that—

(AA) target individuals with low skills or limited work experience, individuals subject to the requirements under section 6(o) *as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018*, and individuals who are working;

(BB) are located in a range of geographic areas and States, including rural and urban areas;

(CC) emphasize education and training, rehabilitative services for individuals with barriers to employment, rapid attachment to employment, and mixed strategies; and

(DD) test programs that assign work registrants to mandatory and voluntary participation in employment and training activities.

(iii) ACCOUNTABILITY.—

(I) IN GENERAL.—The Secretary shall establish and implement a process to terminate a pilot project for which the State has failed to meet the criteria described in clause (ii) or other criteria established by the Secretary.

(II) TIMING.—The process shall include a reasonable time period, not to exceed 180 days, for State agencies found noncompliant to correct the noncompliance.

(iv) EMPLOYMENT AND TRAINING ACTIVITIES.—Allowable programs and services carried out under this subparagraph shall include those programs and services authorized under this Act and employment and training activities authorized under the program of block grants to States for temporary assistance for needy

families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), including:

(I) Employment in the public or private sector that is not subsidized by any public program.

(II) Employment in the private sector for which the employer receives a subsidy from public funds to offset all or a part of the wages and costs of employing an adult.

(III) Employment in the public sector for which the employer receives a subsidy from public funds to offset all or a part of the wages and costs of employing an adult.

(IV) A work activity that—

(aa) is performed in return for public benefits;

(bb) provides an adult with an opportunity to acquire the general skills, knowledge, and work habits necessary to obtain employment;

(cc) is designed to improve the employability of those who cannot find unsubsidized employment; and

(dd) is supervised by an employer, work site sponsor, or other responsible party on an ongoing basis.

(V) Training in the public or private sector that—

(aa) is given to a paid employee while the employee is engaged in productive work; and

(bb) provides knowledge and skills essential to the full and adequate performance of the job.

(VI) Job search, obtaining employment, or preparation to seek or obtain employment, including—

(aa) life skills training;

(bb) substance abuse treatment or mental health treatment, determined to be necessary and documented by a qualified medical, substance abuse, or mental health professional; and

(cc) rehabilitation activities, supervised by a public agency or other responsible party on an ongoing basis.

(VII) Structured programs and embedded activities—

(aa) in which adults perform work for the direct benefit of the community under the auspices of public or nonprofit organizations;

(bb) that are limited to projects that serve useful community purposes in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care;

(cc) that are designed to improve the employability of adults not otherwise able to obtain unsubsidized employment;

(dd) that are supervised on an ongoing basis; and

(ee) with respect to which a State agency takes into account, to the maximum extent practicable, the prior training, experience, and skills of a recipient in making appropriate community service assignments.

(VIII) Career and technical training programs that are—

(aa) directly related to the preparation of adults for employment in current or emerging occupations; and

(bb) supervised on an ongoing basis.

(IX) Training or education for job skills that are—

(aa) required by an employer to provide an adult with the ability to obtain employment or to advance or adapt to the changing demands of the workplace; and

(bb) supervised on an ongoing basis.

(X) Education that is—

(aa) related to a specific occupation, job, or job offer; and

(bb) supervised on an ongoing basis.

(XI) In the case of an adult who has not completed secondary school or received a certificate of general equivalence, regular attendance that is—

(aa) in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to a certificate of general equivalence; and

(bb) supervised on an ongoing basis.

(XII) Providing child care to enable another recipient of public benefits to participate in a community service program that—

(aa) does not provide compensation for the community service;

(bb) is a structured program designed to improve the employability of adults who participate in the program; and

(cc) is supervised on an ongoing basis.

(v) SANCTIONS.—Subject to clause (vi), no work registrant shall be eligible to participate in the supplemental nutrition assistance program if the individual refuses without good cause to participate in an employment and training program under this subparagraph, to the extent required by the State agency.

(vi) STANDARDS.—

(I) IN GENERAL.—Employment and training activities under this subparagraph shall be considered to be carried out under section 6(d) *as in effect on the day before the date of the enactment of*

the Agriculture and Nutrition Act of 2018, including for the purpose of satisfying any conditions of participation and duration of ineligibility.

(II) STANDARDS FOR CERTAIN EMPLOYMENT ACTIVITIES.—The Secretary shall establish standards for employment activities described in subclauses (I), (II), and (III) of clause (iv) that ensure that failure to work for reasons beyond the control of an individual, such as involuntary reduction in hours of employment, shall not result in ineligibility.

(III) PARTICIPATION IN OTHER PROGRAMS.—Before assigning a work registrant to mandatory employment and training activities, a State agency shall—

(aa) assess whether the work registrant is participating in substantial employment and training activities outside of the pilot project that are expected to result in the work registrant gaining increased skills, training, work, or experience consistent with the objectives of the pilot project; and

(bb) if determined to be acceptable, count hours engaged in the activities toward any minimum participation requirement.

(vii) EVALUATION AND REPORTING.—

(I) INDEPENDENT EVALUATION.—

(aa) IN GENERAL.—The Secretary shall, under such terms and conditions as the Secretary determines to be appropriate, conduct for each State agency that enters into a cooperative agreement under clause (i) an independent longitudinal evaluation of each pilot project of the State agency under this subparagraph, with results reported not less frequently than in consecutive 12-month increments.

(bb) PURPOSE.—The purpose of the independent evaluation shall be to measure the impact of employment and training programs and services provided by each State agency under the pilot projects on the ability of adults in each pilot project target population to find and retain employment that leads to increased household income and reduced reliance on public assistance, as well as other measures of household well-being, compared to what would have occurred in the absence of the pilot project.

(cc) METHODOLOGY.—The independent evaluation shall use valid statistical methods that can determine, for each pilot project, the difference, if any, between supplemental nutrition assistance and other public benefit receipt expenditures, employment, earnings and

other impacts as determined by the Secretary—

(AA) as a result of the employment and training programs and services provided by the State agency under the pilot project; as compared to

(BB) a control group that is not subject to the employment and training programs and services provided by the State agency under the pilot project.

(II) REPORTING.—Not later than December 31, 2015, and each December 31 thereafter until the completion of the last evaluation under subclause (I), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate and share broadly, including by posting on the Internet website of the Department of Agriculture, a report that includes a description of—

(aa) the status of each pilot project carried out under this subparagraph;

(bb) the results of the evaluation completed during the previous fiscal year;

(cc) to the maximum extent practicable, baseline information relevant to the stated goals and desired outcomes of the pilot project;

(dd) the employment and training programs and services each State tested under the pilot, including—

(AA) the system of the State for assessing the ability of work registrants to participate in and meet the requirements of employment and training activities and assigning work registrants to appropriate activities; and

(BB) the employment and training activities and services provided under the pilot;

(ee) the impact of the employment and training programs and services on appropriate employment, income, and public benefit receipt as well as other outcomes among households participating in the pilot project, relative to households not participating; and

(ff) the steps and funding necessary to incorporate into State employment and training programs and services the components of the pilot projects that demonstrate increased employment and earnings.

(viii) FUNDING.—

(I) IN GENERAL.—Subject to subclause (II), from amounts made available under section 18(a)(1),

the Secretary shall use to carry out this subparagraph—

- (aa) for fiscal year 2014, \$10,000,000; and
- (bb) for fiscal year 2015, \$190,000,000.

(II) LIMITATIONS.—

(aa) IN GENERAL.—The Secretary shall not fund more than 10 pilot projects under this subparagraph.

(bb) DURATION.—Each pilot project shall be in effect for not more than 3 years.

(III) AVAILABILITY OF FUNDS.—Funds made available under subclause (I) shall remain available through September 30, 2018.

(ix) USE OF FUNDS.—

(I) IN GENERAL.—Funds made available under this subparagraph for pilot projects shall be used only for—

- (aa) pilot projects that comply with this Act;
- (bb) the program and administrative costs of carrying out the pilot projects;
- (cc) the costs incurred in developing systems and providing information and data for the independent evaluations under clause (vii); and
- (dd) the costs of the evaluations under clause (vii).

(II) MAINTENANCE OF EFFORT.—Funds made available under this subparagraph shall be used only to supplement, not to supplant, non-Federal funds used for existing employment and training activities or services.

(III) OTHER FUNDS.—In carrying out pilot projects, States may contribute additional funds obtained from other sources, including Federal, State, or private funds, on the condition that the use of the contributions is permissible under Federal law.

(2) If, in carrying out such program during such fiscal year, a State agency incurs costs that exceed the amount allocated to the State agency under paragraph (1), the Secretary shall pay such State agency an amount equal to 50 per centum of such additional costs, subject to the first limitation in paragraph (3), including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work.

(3) The Secretary shall also reimburse each State agency in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably necessary and directly related to participation in an employment and training program under section 6(d)(4) or a pilot project under paragraph (1)(F), except that the amount of the reimbursement for dependent care expenses shall not exceed an amount equal to the payment made **under section 6(d)(4)(I)(i)(II)** for dependent care expenses under section 6(d)(4) but not more than the applicable local market

rate, and such reimbursement shall not be made out of funds allocated under paragraph (1).

(4) Funds provided to a State agency under this subsection may be used only for operating an employment and training program under section 6(d)(4) or a pilot project under paragraph (1)(F), and may not be used for carrying out other provisions of this Act.

(5) MONITORING.—

(A) IN GENERAL.—The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) and assess the effectiveness of the programs in—

(i) preparing members of households participating in the supplemental nutrition assistance program for employment, including the acquisition of basic skills necessary for employment; and

(ii) increasing the number of household members who obtain and retain employment subsequent to participation in the employment and training programs.

(B) REPORTING MEASURES.—

(i) IN GENERAL.—The Secretary, in consultation with the Secretary of Labor, shall develop State reporting measures that identify improvements in the skills, training, education, or work experience of members of households participating in the supplemental nutrition assistance program.

(ii) REQUIREMENTS.—Measures shall—

(I) be based on common measures of performance for Federal workforce training programs; and

(II) include additional indicators that reflect the challenges facing the types of members of households participating in the supplemental nutrition assistance program who participate in a specific employment and training component.

(iii) STATE REQUIREMENTS.—The Secretary shall require that each State employment and training plan submitted under section 11(e)(19) identifies appropriate reporting measures for each proposed component that serves a threshold number of participants determined by the Secretary of at least 100 people a year.

(iv) INCLUSIONS.—Reporting measures described in clause (iii) may include—

(I) the percentage and number of program participants who received employment and training services and are in unsubsidized employment subsequent to the receipt of those services;

(II) the percentage and number of program participants who obtain a recognized credential, including a registered apprenticeship, or a regular secondary school diploma or its recognized equivalent, while participating in, or within 1 year after receiving, employment and training services;

(III) the percentage and number of program participants who are in an education or training program that is intended to lead to a recognized cre-

dential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment;

(IV) subject to terms and conditions established by the Secretary, measures developed by each State agency to assess the skills acquisition of employment and training program participants that reflect the goals of the specific employment and training program components of the State agency, which may include, at a minimum—

(aa) the percentage and number of program participants who are meeting program requirements in each component of the education and training program of the State agency;

(bb) the percentage and number of program participants who are gaining skills likely to lead to employment as measured through testing, quantitative or qualitative assessment, or other method; and

(cc) the percentage and number of program participants who do not comply with employment and training requirements and who are ineligible under section 6(b); and

(V) other indicators approved by the Secretary.

(C) OVERSIGHT OF STATE EMPLOYMENT AND TRAINING ACTIVITIES.—The Secretary shall assess State employment and training programs on a periodic basis to ensure—

(i) compliance with Federal employment and training program rules and regulations;

(ii) that program activities are appropriate to meet the needs of the individuals referred by the State agency to an employment and training program component; *and*

(iii) that reporting measures are appropriate to identify improvements in skills, training, work and experience for participants in an employment and training program component【; and】.

【(iv) for States receiving additional allocations under paragraph (1)(E), any information the Secretary may require to evaluate the compliance of the State agency with paragraph (1), which may include—

【(I) a report for each fiscal year of the number of individuals in the State who meet the conditions of paragraph (1)(E)(ii), the number of individuals the State agency offers a position in a program described in subparagraph (B) or (C) of section 6(o)(2), and the number who participate in such a program;

【(II) a description of the types of employment and training programs the State agency uses to comply with paragraph (1)(E) and the availability of those programs throughout the State; and

【(III) any additional information the Secretary determines to be appropriate.】

(D) STATE REPORT.—Each State agency shall annually prepare and submit to the Secretary a report on the State employment and training program that includes, using measures identified under subparagraph (B), the numbers of supplemental nutrition assistance program participants who have gained skills, training, work, or experience that will increase the ability of the participants to obtain regular employment.

(E) MODIFICATIONS TO THE STATE EMPLOYMENT AND TRAINING PLAN.—Subject to terms and conditions established by the Secretary, if the Secretary determines that the performance of a State agency with respect to employment and training outcomes is inadequate, the Secretary may require the State agency to make modifications to the State employment and training plan to improve the outcomes.

(F) PERIODIC EVALUATION.—Subject to terms and conditions established by the Secretary, not later than October 1, 2016, and not less frequently than once every 5 years thereafter, the Secretary shall conduct a study to review existing practice and research to identify employment and training program components and practices that—

(i) effectively assist members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase the ability of the participants to obtain regular employment; and

(ii) are best integrated with statewide workforce development systems.

(i)(1) The Department of Agriculture may use quality control information made available under this section to determine which project areas have payment error rates (as defined in subsection (d)(1)) that impair the integrity of the supplemental nutrition assistance program.

(2) The Secretary may require a State agency to carry out new or modified procedures for the certification of households in areas identified under paragraph (1) if the Secretary determines such procedures would improve the integrity of the supplemental nutrition assistance program and be cost effective.

(j) Not later than 180 days after the date of the enactment of the Hunger Prevention Act of 1988, and annually thereafter, the Secretary shall publish instructional materials specifically designed to be used by the State agency to provide intensive training to State agency personnel who undertake the certification of households that include a member who engages in farming.

(k) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—

(1) DEFINITIONS.—In this subsection:

(A) AFDC PROGRAM.—The term “AFDC program” means the program of aid to families with dependent children established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq. (as in effect, with respect to a State, during the base period for that State)).

(B) **BASE PERIOD.**—The term “base period” means the period used to determine the amount of the State family assistance grant for a State under section 403 of the Social Security Act (42 U.S.C. 603).

(C) **MEDICAID PROGRAM.**—The term “medicaid program” means the program of medical assistance under a State plan or under a waiver of the plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(2) **DETERMINATIONS OF AMOUNTS ATTRIBUTABLE TO BENEFITING PROGRAMS.**—Not later than 180 days after the date of enactment of this subsection, the Secretary of Health and Human Services, in consultation with the Secretary of Agriculture and the States, shall, with respect to the base period for each State, determine—

(A) the annualized amount the State received under section 403(a)(3) of the Social Security Act (42 U.S.C. 603(a)(3) (as in effect during the base period)) for administrative costs common to determining the eligibility of individuals, families, and households eligible or applying for the AFDC program and the supplemental nutrition assistance program, the AFDC program and the medicaid program, and the AFDC program, the supplemental nutrition assistance program, and the medicaid program that were allocated to the AFDC program; and

(B) the annualized amount the State would have received under section 403(a)(3) of the Social Security Act (42 U.S.C. 603(a)(3) (as so in effect)), section 1903(a)(7) of the Social Security Act (42 U.S.C. 1396b(a)(7) (as so in effect)), and subsection (a) of this section (as so in effect), for administrative costs common to determining the eligibility of individuals, families, and households eligible or applying for the AFDC program and the supplemental nutrition assistance program, the AFDC program and the medicaid program, and the AFDC program, the supplemental nutrition assistance program, and the medicaid program, if those costs had been allocated equally among such programs for which the individual, family, or household was eligible or applied for.

(3) **REDUCTION IN PAYMENT.**—

(A) **IN GENERAL.**—Notwithstanding any other provision of this section, the Secretary shall reduce, for each fiscal year, the amount paid under subsection (a) to each State by an amount equal to the amount determined for the supplemental nutrition assistance program under paragraph (2)(B). The Secretary shall, to the extent practicable, make the reductions required by this paragraph on a quarterly basis.

(B) **APPLICATION.**—If the Secretary of Health and Human Services does not make the determinations required by paragraph (2) by September 30, 1999—

(i) during the fiscal year in which the determinations are made, the Secretary shall reduce the amount paid under subsection (a) to each State by an amount equal to the sum of the amounts determined for the supplemental nutrition assistance program under

paragraph (2)(B) for fiscal year 1999 through the fiscal year during which the determinations are made; and

(ii) for each subsequent fiscal year, subparagraph (A) applies.

(4) APPEAL OF DETERMINATIONS.—

(A) IN GENERAL.—Not later than 5 days after the date on which the Secretary of Health and Human Services makes any determination required by paragraph (2) with respect to a State, the Secretary shall notify the chief executive officer of the State of the determination.

(B) REVIEW BY ADMINISTRATIVE LAW JUDGE.—

(i) IN GENERAL.—Not later than 60 days after the date on which a State receives notice under subparagraph (A) of a determination, the State may appeal the determination, in whole or in part, to an administrative law judge of the Department of Health and Human Services by filing an appeal with the administrative law judge.

(ii) DOCUMENTATION.—The administrative law judge shall consider an appeal filed by a State under clause (i) on the basis of such documentation as the State may submit and as the administrative law judge may require to support the final decision of the administrative law judge.

(iii) REVIEW.—In deciding whether to uphold a determination, in whole or in part, the administrative law judge shall conduct a thorough review of the issues and take into account all relevant evidence.

(iv) DEADLINE.—Not later than 60 days after the date on which the record is closed, the administrative law judge shall—

(I) make a final decision with respect to an appeal filed under clause (i); and

(II) notify the chief executive officer of the State of the decision.

(C) REVIEW BY DEPARTMENTAL APPEALS BOARD.—

(i) IN GENERAL.—Not later than 30 days after the date on which a State receives notice under subparagraph (B) of a final decision, the State may appeal the decision, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (referred to in this paragraph as the “Board”) by filing an appeal with the Board.

(ii) REVIEW.—The Board shall review the decision on the record.

(iii) DEADLINE.—Not later than 60 days after the date on which the appeal is filed, the Board shall—

(I) make a final decision with respect to an appeal filed under clause (i); and

(II) notify the chief executive officer of the State of the decision.

(D) JUDICIAL REVIEW.—The determinations of the Secretary of Health and Human Services under paragraph (2), and a final decision of the administrative law judge or

Board under subparagraphs (B) and (C), respectively, shall not be subject to judicial review.

(E) REDUCED PAYMENTS PENDING APPEAL.—The pendency of an appeal under this paragraph shall not affect the requirement that the Secretary reduce payments in accordance with paragraph (3).

(5) ALLOCATION OF ADMINISTRATIVE COSTS.—

(A) IN GENERAL.—No funds or expenditures described in subparagraph (B) may be used to pay for costs—

(i) eligible for reimbursement under subsection (a) (or costs that would have been eligible for reimbursement but for this subsection); and

(ii) allocated for reimbursement to the supplemental nutrition assistance program under a plan submitted by a State to the Secretary of Health and Human Services to allocate administrative costs for public assistance programs.

(B) FUNDS AND EXPENDITURES.—Subparagraph (A) applies to—

(i) funds made available to carry out part A of title IV, or title XX, of the Social Security Act (42 U.S.C. 601 et seq., 1397 et seq.);

(ii) expenditures made as qualified State expenditures (as defined in section 409(a)(7)(B) of that Act (42 U.S.C. 609(a)(7)(B)));

(iii) any other Federal funds (except funds provided under subsection (a)); and

(iv) any other State funds that are—

(I) expended as a condition of receiving Federal funds; or

(II) used to match Federal funds under a Federal program other than the supplemental nutrition assistance program.

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. (a)(1) The Secretary may enter into contracts with or make grants to public or private organizations or agencies under this section to undertake research that will help improve the administration and effectiveness of the supplemental nutrition assistance program in delivering nutrition-related benefits. The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.

(2) The Secretary may, on application, permit not more than two State agencies to establish procedures that allow households whose monthly supplemental nutrition assistance program benefits do not exceed \$20, at their option, to receive, in lieu of their supplemental nutrition assistance program benefits for the initial period under section 8 and their regular allotment in following months, and at intervals of up to 3 months thereafter, aggregate allotments not to exceed \$60 and covering not more than 3 months' benefits. The allotments shall be provided in accordance with paragraphs (3) and (9) of section 11(e) (except that no household shall begin to receive combined allotments under this section until it has complied with all applicable verification requirements of section 11(e)(3)) and

(with respect to the first aggregate allotment so issued) within 40 days of the last benefit issuance.

(b)(1)(A) The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the supplemental nutrition assistance program and improve the delivery of supplemental nutrition assistance program benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

(B) PROJECT REQUIREMENTS.—

(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless—

(I) the project is consistent with the goal of the supplemental nutrition assistance program of providing food assistance to raise levels of nutrition among low-income individuals; and

(II) the project includes an evaluation to determine the effects of the project.

(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

(I) improve program administration;

(II) increase the self-sufficiency of supplemental nutrition assistance program recipients;

(III) test innovative welfare reform strategies; or

(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

(iii) RESTRICTIONS ON PERMISSIBLE PROJECTS.—If the Secretary finds that a project under subparagraph (A) would reduce benefits by more than 20 percent for more than 5 percent of households in the area subject to the project (not including any household whose benefits are reduced due to a failure to comply with work or other conduct requirements), the project—

(I) may not include more than 15 percent of the number of households in the State receiving supplemental nutrition assistance program benefits; and

(II) shall continue for not more than 5 years after the date of implementation, unless the Secretary approves an extension requested by the State agency at any time.

(iv) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

(I) involves the payment of the value of an allotment in the form of cash or otherwise providing benefits in a form not restricted to the purchase of food, unless the project was approved prior to the date of enactment of this subparagraph;

(II) has the effect of substantially transferring funds made available under this Act to services or benefits provided primarily through another public assistance program, or using the funds for any purpose other than the purchase of food, program

administration, or an employment or training program;

(III) is inconsistent with—

(aa) paragraphs (4) and (5) of section **【3(n)】** 3(m);

(bb) the last sentence of section 5(a), insofar as a waiver denies assistance to an otherwise eligible household or individual if the household or individual has not failed to comply with any work, behavioral, or other conduct requirement under this or another program;

(cc) section 5(c)(2);

(dd) paragraph (2)(B), (4)(F)(i), or (4)(K) of section 6(d);

(ee) section 8(b);

(ff) section 11(e)(2)(B);

(gg) the time standard under section 11(e)(3);

(hh) subsection (a), (c), (g), (h)(1)(F), (h)(2), or (h)(3) of section 16;

(ii) this paragraph; or

(jj) subsection (a)(1) or (g)(1) of section 20 *as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018*;

(IV) modifies the operation of section 5 so as to have the effect of—

(aa) increasing the shelter deduction to households with no out-of-pocket housing costs or housing costs that consume a low percentage of the household's income; or

(bb) absolving a State from acting with reasonable promptness on substantial reported changes in income or household size (except that this subclause shall not apply with regard to changes related to supplemental nutrition assistance program deductions);

(V) is not limited to a specific time period;

(VI) waives a provision of section 26; or

(VII) waives a provision of section **【7(i)】** 7(h).

(v) **ADDITIONAL INCLUDED PROJECTS.**—A pilot or experimental project may include projects involving the payment of the value of allotments or the average value of allotments by household size in the form of cash to eligible households all of whose members are age sixty-five or over or any of whose members are entitled to supplemental security income benefits under title XVI of the Social Security Act or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the use of identification mechanisms that do not invade a household's privacy, and the use of food checks or other voucher-type forms in place of EBT cards.

(vi) CASH PAYMENT PILOT PROJECTS.—Subject to the availability of appropriations under section 18(a), any pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued if the State so requests.

(C)(i) No waiver or demonstration program shall be approved under this Act after the date of enactment of this subparagraph unless—

(I) any household whose food assistance is issued in a form other than EBT cards has its allotment increased to the extent necessary to compensate for any State or local sales tax that may be collected in all or part of the area covered by the demonstration project, the tax on purchases of food by any such household is waived, or the Secretary determines on the basis of information provided by the State agency that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

(II) the State agency conducting the demonstration project pays the cost of any increased allotments.

(ii) Clause (i) shall not apply if a waiver or demonstration project already provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household in the project area in which the household resides.

(D) RESPONSE TO WAIVERS.—

(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

(I) approves the waiver request;

(II) denies the waiver request and describes any modification needed for approval of the waiver request;

(III) denies the waiver request and describes the grounds for the denial; or

(IV) requests clarification of the waiver request.

(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[(2) The Secretary shall, jointly with the Secretary of Labor, implement two pilot projects involving the performance of work in return for supplemental nutrition assistance program benefits in

each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture, such projects to be (A) appropriately divided in each region between locations that are urban and rural in characteristics and among locations selected to provide a representative cross-section of political subdivisions in the States and (B) submitted for approval prior to project implementation, together with the names of the agencies or organizations that will be engaged in such projects, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Under such pilot projects, any person who is subject to the work registration requirements pursuant to section 6(d) of this Act, and is a member of a household that does not have earned income equal to or exceeding the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, shall be ineligible to participate in the supplemental nutrition assistance program as a member of any household during any month in which such person refuses, after not being offered employment in the private sector of the economy for more than thirty days (ten days in at least one pilot project area designated by the Secretary) after the initial registration for employment referred to in section 6(d)(1)(A)(i) of this Act, to accept an offer of employment from a political subdivision or provider pursuant to a program carried out under title I of the Workforce Innovation and Opportunity Act, for which employment compensation shall be paid in the form of the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, with each hour of employment entitling the household to a portion of the allotment equal in value to 100 per centum of the Federal minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)); which employment shall not, together with any other hours worked in any other capacity by such person exceed forty hours a week; and which employment shall not be used by the employer to fill a job opening created by the action of such employer in laying off or terminating the employment of any regular employee not supported under this paragraph in anticipation of filling the vacancy so created by hiring an employee or employees to be supported under this paragraph, if all of the jobs supported under the program have been made available to participants in the program before the political subdivision or provider providing the jobs extends an offer of employment under this paragraph, and if the political subdivision or provider, in employing the person, complies with the requirements of Federal law that relate to the program. The Secretary and the Secretary of Labor shall jointly issue reports to the appropriate committees of Congress on the progress of such pilot projects no later than six and twelve months following enactment of this Act, shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation.】

(3)(A) The Secretary may conduct demonstration projects to test improved consistency or coordination between the supplemental nutrition assistance program employment and training program

and the Job Opportunities and Basic Skills program under title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(B) Notwithstanding paragraph (1), the Secretary may, as part of a project authorized under this paragraph, waive requirements under section 6(d) to permit a State to operate an employment and training program for supplemental nutrition assistance program recipients on the same terms and conditions under which the State operates its Job Opportunities and Basic Skills program for recipients of aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.). Any work experience program conducted as part of the project shall be conducted in conformity with section 482(f) of such Act (42 U.S.C. 682(f)).

(C) A State seeking such a waiver shall provide assurances that the resulting employment and training program shall meet the requirements of subsections (a)(19) and (g) of section 402 of such Act (42 U.S.C. 602) (but not including the provision of transitional benefits under clauses (ii) through (vii) of section 402(g)(1)(A)) and sections 481 through 487 of such Act (42 U.S.C. 681 through 687). Each reference to "aid to families with dependent children" in such sections shall be deemed to be a reference to supplemental nutrition assistance program benefits for purposes of the demonstration project.

(D) Notwithstanding the other provisions of this paragraph, participation in an employment and training activity in which supplemental nutrition assistance program benefits are converted to cash shall occur only with the consent of the participant.

(E) For the purposes of any project conducted under this paragraph, the provisions of this Act affecting the rights of recipients may be waived to the extent necessary to conform to the provisions of section 402, and sections 481 through 487, of the Social Security Act.

(F) At least 60 days prior to granting final approval of a project under this paragraph, the Secretary shall publish the terms and conditions for any demonstration project conducted under the paragraph for public comment in the Federal Register and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(G) Waivers may be granted under this paragraph to conduct projects at any one time in a total of up to 60 project areas (or parts of project areas), as such areas are defined in regulations in effect on January 1, 1990.

(H) A waiver for a change in program rules may be granted under this paragraph only for a demonstration project that has been approved by the Secretary, that will be evaluated according to criteria prescribed by the Secretary, and that will be in operation for no more than 4 years.

(I) The Secretary may not grant a waiver under this paragraph on or after the date of enactment of this subparagraph. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on the day before such date.

(c) The Secretary shall develop and implement measures for evaluating, on an annual or more frequent basis, the effectiveness of

the supplemental nutrition assistance program in achieving its stated objectives, including, but not limited to, the program's impact upon the nutritional and economic status of participating households, the program's impact upon all sectors of the agricultural economy, including farmers and ranchers, as well as retail food stores, and the program's relative fairness to households of different income levels, different age composition, different size, and different regions of residence. Further, the Secretary shall, by way of making contracts with or grants to public or private organizations or agencies, implement pilot programs to test various means of measuring on a continuing basis the nutritional status of low income people, with special emphasis on people who are eligible for supplemental nutrition assistance, in order to develop minimum common criteria and methods for systematic nutrition monitoring that could be applied on a nationwide basis. The locations of the pilot programs shall be selected to provide a representative geographic and demographic cross-section of political subdivisions that reflect natural usage patterns of health and nutritional services and that contain high proportions of low income people. The Secretary shall report on the progress of these pilot programs on an annual basis commencing on July 1, 1982, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, together with such recommendations as the Secretary deems appropriate.

(d) EMPLOYMENT INITIATIVES PROGRAM.—

(1) ELECTION TO PARTICIPATE.—

(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households in the State that received supplemental nutrition assistance program benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

(2) PROCEDURE.—

(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the allotments that would otherwise be issued to a household under the supplemental nutrition assistance program, but for the operation of this subsection, to provide cash benefits in lieu of the allotments to the household if the household is eligible under paragraph (3).

(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household participating in the program in the State would be eligible to receive under this Act but for the operation of this subsection.

(C) OTHER PROVISIONS.—For purposes of the supplemental nutrition assistance program (other than this subsection)—

(i) cash assistance under this subsection shall be considered to be an allotment; and

(ii) each household receiving cash benefits under this subsection shall not receive any other supplemental nutrition assistance program benefits during the period for which the cash assistance is provided.

(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

(i) increase the cash benefits provided to each household participating in the program in the State under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by the household, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

(ii) pay the cost of any increase in cash benefits required by clause (i).

(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

(A) has worked in unsubsidized employment for not less than the preceding 90 days;

(B) has earned not less than \$350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

(C)(i) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(ii) was receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

(D) is continuing to earn not less than \$350 per month from the employment referred to in subparagraph (A); and

(E) elects to receive cash benefits in lieu of supplemental nutrition assistance program benefits under this subsection.

(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.

(e) The Secretary shall conduct a study of the effects of reductions made in benefits provided under this Act pursuant to part 1 of subtitle A of title I of the Omnibus Budget Reconciliation Act of 1981, the Food Stamp and Commodity Distribution Amendments of 1981, the Food Stamp Act Amendments of 1982, and any other laws enacted by the Ninety-seventh Congress which affect the supplemental nutrition assistance program. The study shall include a study of the effect of retrospective accounting and periodic reporting procedures established under such Acts, including the impact

on benefit and administrative costs and on error rates and the degree to which eligible households are denied supplemental nutrition assistance program benefits for failure to file complete periodic reports. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report on the results of such study no later than February 1, 1984, and a final report on the results of such study no later than March 1, 1985.

(f) In order to encourage States to plan, design, develop, and implement a system for making supplemental nutrition assistance program benefits available through the use of intelligent benefit cards or other automated or electronic benefit delivery systems, the Secretary may conduct one or more pilot or experimental projects, subject to the restrictions imposed by subsection (b)(1) and section 7(f)(2), designed to test whether the use of such cards or systems can enhance the efficiency and effectiveness of program operations while ensuring that individuals receive correct benefit amounts on a timely basis. Intelligent benefit cards developed under such a demonstration project shall contain information, encoded on a computer chip embedded in a credit card medium, including the eligibility of the individual and the amount of benefits to which such individual is entitled. Any other automated or electronic benefit delivery system developed under such a demonstration project shall be able to use a plastic card to access such information from a data file.

(g) In order to assess the effectiveness of the employment and training programs established under section 6(d) in placing individuals into the work force and withdrawing such individuals from the supplemental nutrition assistance program, the Secretary is authorized to carry out studies comparing the pre- and post-program labor force participation, wage rates, family income, level of receipt of supplemental nutrition assistance program and other transfer payments, and other relevant information, for samples of participants in such employment and training programs as compared to the appropriate control or comparison groups that did not participate in such programs. Such studies shall, to the maximum extent possible—

(1) collect such data for up to 3 years after the individual has completed the employment and training program; and

(2) yield results that can be generalized to the national program as a whole.

The results of such studies and reports shall be considered in developing or updating the performance standards required under section 6.

(h) The Secretary shall conduct a sufficient number of demonstration projects to evaluate the effects, in both rural and urban areas, of including in financial resources under section 5(g) the fair market value of licensed vehicles to the extent the value of each vehicle exceeds \$4,500, but excluding the value of—

(1) any licensed vehicle that is used to produce earned income, necessary for transportation of an elderly or physically disabled household member, or used as the household's home; and

(2) one licensed vehicle used to obtain, continue, or seek employment (including travel to and from work), used to pursue employment-related education or training, or used to secure food or the benefits of the supplemental nutrition assistance program.

(i) The Secretary shall conduct, under such terms and conditions as the Secretary shall prescribe, for a period not to exceed 4 years, projects to test allowing not more than 11,000 eligible households, in the aggregate, to accumulate resources up to \$10,000 each (which shall be excluded from consideration as a resource) for later expenditure for a purpose directly related to improving the education, training, or employability (including self-employment) of household members, for the purchase of a home for the household, for a change of the household's residence, or for making major repairs to the household's home.

(j) The Secretary shall use up to \$4,000,000 of the funds provided in advance in appropriations Acts for projects authorized by this section to conduct demonstration projects in which State or local supplemental nutrition assistance program agencies test innovative ideas for working with State or local law enforcement agencies to investigate and prosecute benefit trafficking.

(k) PILOT PROJECTS TO EVALUATE HEALTH AND NUTRITION PROMOTION IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as the Secretary considers to be appropriate, pilot projects to develop and test methods—

(A) of using the supplemental nutrition assistance program to improve the dietary and health status of households eligible for or participating in the supplemental nutrition assistance program; and

(B) to reduce overweight, obesity (including childhood obesity), and associated co-morbidities in the United States.

(2) GRANTS.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary may enter into competitively awarded contracts or cooperative agreements with, or provide grants to, public or private organizations or agencies (as defined by the Secretary), for use in accordance with projects that meet the strategy goals of this subsection.

(B) APPLICATION.—To be eligible to receive a contract, cooperative agreement, or grant under this paragraph, an organization shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(C) SELECTION CRITERIA.—Pilot projects shall be evaluated against publicly disseminated criteria that may include—

(i) identification of a low-income target audience that corresponds to individuals living in households with incomes at or below 185 percent of the poverty level;

(ii) incorporation of a scientifically based strategy that is designed to improve diet quality through more healthful food purchases, preparation, or consumption;

(iii) a commitment to a pilot project that allows for a rigorous outcome evaluation, including data collection;

(iv) strategies to improve the nutritional value of food served during school hours and during after-school hours;

(v) innovative ways to provide significant improvement to the health and wellness of children;

(vi) other criteria, as determined by the Secretary.

(D) USE OF FUNDS.—Funds provided under this paragraph shall not be used for any project that limits the use of benefits under this Act.

(3) PROJECTS.—Pilot projects carried out under paragraph (1) may include projects to determine whether healthier food purchases by and healthier diets among households participating in the supplemental nutrition assistance program result from projects that—

(A) increase the supplemental nutrition assistance purchasing power of the participating households by providing increased supplemental nutrition assistance program benefit allotments to the participating households;

(B) increase access to farmers markets by participating households through the electronic redemption of supplemental nutrition assistance program benefits at farmers' markets;

(C) provide incentives to authorized supplemental nutrition assistance program retailers to increase the availability of healthy foods to participating households;

(D) subject authorized supplemental nutrition assistance program retailers to stricter retailer requirements with respect to carrying and stocking healthful foods;

(E) provide incentives at the point of purchase to encourage households participating in the supplemental nutrition assistance program to purchase fruits, vegetables, or other healthful foods; or

(F) provide to participating households integrated communication and education programs, including the provision of funding for a portion of a school-based nutrition coordinator to implement a broad nutrition action plan and parent nutrition education programs in elementary schools, separately or in combination with pilot projects carried out under subparagraphs (A) through (E).

(4) EVALUATION AND REPORTING.—

(A) EVALUATION.—

(i) INDEPENDENT EVALUATION.—

(I) IN GENERAL.—The Secretary shall provide for an independent evaluation of projects selected under this subsection that measures the impact of the pilot program on health and nutrition as described in paragraph (1).

(II) REQUIREMENT.—The independent evaluation under subclause (I) shall use rigorous methodologies, particularly random assignment or other methods that are capable of producing scientific

ically valid information regarding which activities are effective.

(ii) COSTS.—The Secretary may use funds provided to carry out this section to pay costs associated with monitoring and evaluating each pilot project.

(B) REPORTING.—Not later than 90 days after the last day of fiscal year 2009 and each fiscal year thereafter until the completion of the last evaluation under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes a description of—

(i) the status of each pilot project;
(ii) the results of the evaluation completed during the previous fiscal year; and
(iii) to the maximum extent practicable—

(I) the impact of the pilot project on appropriate health, nutrition, and associated behavioral outcomes among households participating in the pilot project;

(II) baseline information relevant to the stated goals and desired outcomes of the pilot project; and

(III) equivalent information about similar or identical measures among control or comparison groups that did not participate in the pilot project.

(C) PUBLIC DISSEMINATION.—In addition to the reporting requirements under subparagraph (B), evaluation results shall be shared broadly to inform policy makers, service providers, other partners, and the public in order to promote wide use of successful strategies.

(5) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

(B) MANDATORY FUNDING.—Out of any funds made available under section 18, on October 1, 2008, the Secretary shall make available \$20,000,000 to carry out a project described in paragraph (3)(E), to remain available until expended.

(1) COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.—Subject to the requirements of this Act, including protections under section 11(e)(8), States, State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs authorized under this Act shall—

(1) cooperate with officials and contractors acting on behalf of the Secretary in the conduct of evaluations and studies under this Act; and

(2) submit information at such time and in such manner as the Secretary may require.

(m) PILOT PROJECTS TO ENCOURAGE THE USE OF PUBLIC-PRIVATE PARTNERSHIPS COMMITTED TO ADDRESSING FOOD INSECURITY.—

(1) IN GENERAL.—The Secretary may, on application, permit not more than 10 eligible entities to carry out pilot projects to

support public-private partnerships that address food insecurity and poverty.

(2) *DEFINITION.—For purposes of this subsection, an “eligible entity” means—*

- (A) a State;*
- (B) a unit of local government;*
- (C) a nonprofit organization;*
- (D) a community-based organization; and*
- (E) an institution of higher education.*

(3) *PROJECT REQUIREMENTS.—Projects approved under this subsection shall be limited to 2 years in length and evaluate the impact of the ability of eligible entities to—*

- (A) improve the effectiveness and impact of the supplemental nutrition assistance program;*
- (B) develop food security solutions that are contextualized to the needs of a community or region; and*
- (C) strengthen the capacity of communities to address food insecurity and poverty.*

(4) *REPORTING.—Participating entities shall report annually to the Secretary who shall submit a final report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Such report shall include—*

- (A) a summary of the activities conducted under the pilot projects;*
- (B) an assessment of the effectiveness of the pilot projects; and*
- (C) best practices regarding the use of public-private partnerships to improve the effectiveness of public benefit programs to address food insecurity and poverty.*

(5) *AUTHORIZATION AND ADVANCE AVAILABILITY OF APPROPRIATIONS.—*

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 to remain available until expended.

(B) APPROPRIATION IN ADVANCE.—Only funds appropriated under subparagraph (A) in advance specifically to carry out this subsection shall be available to carry out this subsection.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. (a)(1) To carry out this Act, there are authorized to be appropriated such sums as are necessary for each of fiscal years 2008 through [2018] 2023. Not to exceed one-fourth of 1 per centum of the previous year’s appropriation is authorized in each such fiscal year to carry out the provisions of section 17 of this Act, subject to paragraph (3).

(2) No funds authorized to be appropriated under this Act or any other Act of Congress shall be used by any person, firm, corporation, group, or organization at any time, directly or indirectly, to interfere with or impede the implementation of any provision of this Act or any rule, regulation, or project thereunder, except that this limitation shall not apply to the provision of legal and related assistance in connection with any proceeding or action before any State or Federal agency or court. The President shall ensure that

this paragraph is complied with by such order or other means as the President deems appropriate.

(3)(A) Of the amounts made available under the second sentence of paragraph (1), not more than \$2,000,000 in any fiscal year may be used by the Secretary to make 2-year competitive grants that will—

(i) enhance interagency cooperation in nutrition education activities; and

(ii) develop cost effective ways to inform people eligible for supplemental nutrition assistance program benefits about nutrition, resource management, and community nutrition education programs[, such as the expanded food and nutrition education program].

(B) The Secretary shall make awards under this paragraph to one or more State cooperative extension services (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) who shall administer the grants in coordination with other State or local agencies serving low-income people.

(C) Each project shall include an evaluation component and shall develop an implementation plan for replication in other States.

(D) The Secretary shall report to the appropriate committees of Congress on the results of the projects and shall disseminate the results through the cooperative extension service system and to State human services and health department offices, local supplemental nutrition assistance program offices, and other entities serving low-income households.

(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. Notwithstanding any other provision of this Act, if in any fiscal year the Secretary finds that the requirements of participating States will exceed the appropriation, the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the supplemental nutrition assistance program to the extent necessary to comply with the provisions of this subsection.

(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the supplemental nutrition assistance program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the

Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

(e) Funds collected from claims against households or State agencies, including claims collected pursuant to section 7(f), subsections (g) and (h) of section 11, subsections (b) and (c) of section 13, and section 16(c)(1), claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the supplemental nutrition assistance program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided.

(f) No funds appropriated to carry out this Act may be transferred to the Office of the Inspector General, or the Office of the General Counsel, of the Department of Agriculture.

(g) BAN ON RECRUITMENT AND PROMOTION ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no funds authorized to be appropriated under this Act shall be used by the Secretary for—

(A) recruitment activities designed to persuade an individual to apply for supplemental nutrition assistance program benefits;

(B) television, radio, or billboard advertisements that are designed to promote supplemental nutrition assistance program benefits and enrollment; or

(C) any agreements with foreign governments designed to promote supplemental nutrition assistance program benefits and enrollment.

(2) LIMITATION.—Paragraph (1)(B) shall not apply to programmatic activities undertaken with respect to benefits made under section 5(h).

(h) BAN ON RECRUITMENT BY ENTITIES THAT RECEIVE FUNDS.—The Secretary shall issue regulations that prohibit entities that receive funds under this Act to compensate any person for conducting outreach activities relating to participation in, or for recruiting individuals to apply to receive benefits under, the supplemental nutrition assistance program, if the amount of the compensation would be based on the number of individuals who apply to receive the benefits.

* * * * *

【WORKFARE

【SEC. 20. (a)(1) The Secretary shall permit any political subdivision, in any State, that applies and submits a plan to the Secretary in compliance with guidelines promulgated by the Secretary to operate a workfare program pursuant to which every member of a household participating in the supplemental nutrition assistance program who is not exempt by virtue of the provisions of subsection (b) of this section shall accept an offer from such subdivision to perform work on its behalf, or may seek an offer to perform work, in

return for compensation consisting of the allotment to which the household is entitled under section 8(a) of this Act, with each hour of such work entitling that household to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938.

[(2)(A) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a political subdivision to design and operate a workfare program under this section which is compatible and consistent with similar workfare programs operated by the subdivision.

[(B) A political subdivision may comply with the requirements of this section by operating any workfare program which the Secretary determines meets the provisions and protections provided under this section.

[(b) A household member shall be exempt from workfare requirements imposed under this section if such member is—

[(1) exempt from section 6(d)(1) as the result of clause (B), (C), (D), (E), or (F) of section 6(d)(2);

[(2) at the option of the operating agency, subject to and currently actively and satisfactorily participating at least 20 hours a week in a work activity required under title IV of the Social Security Act (42 U.S.C. 601 et seq.);

[(3) mentally or physically unfit;

[(4) under sixteen years of age;

[(5) sixty years of age or older; or

[(6) a parent or other caretaker of a child in a household in which another member is subject to the requirements of this section or is employed fulltime.

[(c) No operating agency shall require any participating member to work in any workfare position to the extent that such work exceeds in value the allotment to which the household is otherwise entitled or that such work, when added to any other hours worked during such week by such member for compensation (in cash or in kind) in any other capacity, exceeds thirty hours a week.

[(d) The operating agency shall—

[(1) not provide any work that has the effect of replacing or preventing the employment of an individual not participating in the workfare program;

[(2) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

[(3) reimburse participants for actual costs of transportation and other actual costs all of which are reasonably necessary and directly related to participation in the program but not to exceed \$25 in the aggregate per month.

[(e) The operating agency may allow a job search period, prior to making workfare assignments, of up to thirty days following a determination of eligibility.

[(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the supplemental nutrition assistance program for failing to comply with this section.

[(g)(1) The Secretary shall pay to each operating agency 50 per centum of all administrative expenses incurred by such agency in

operating a workfare program, including reimbursements to participants for work-related expenses as described in subsection (d)(3) of this section.

[(2)(A) From 50 per centum of the funds saved from employment related to a workfare program operated under this section, the Secretary shall pay to each operating agency an amount not to exceed the administrative expenses described in paragraph (1) for which no reimbursement is provided under such paragraph.

[(B) For purposes of subparagraph (A), the term “funds saved from employment related to a workfare program operated under this section” means an amount equal to three times the dollar value of the decrease in allotments issued to households, to the extent that such decrease results from wages received by members of such households for the first month of employment beginning after the date such members commence such employment if such employment commences—

[(i) while such members are participating for the first time in a workfare program operated under this section; or

[(ii) in the thirty-day period beginning on the date such first participation is terminated.

[(3) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a political subdivision to operate a workfare program, upon a finding that the subdivision has failed to comply with the workfare requirements.]

* * * * *

SEC. 25. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

(a) DEFINITIONS.—In this section:

(1) COMMUNITY FOOD PROJECT.—In this section, the term “community food project” means a community-based project that—

(A) requires a 1-time contribution of Federal assistance to become self-sustaining; and

(B) is designed—

(i)(I) to meet the food needs of low-income individuals through food distribution, community outreach to assist in participation in Federally assisted nutrition programs, or improving access to food as part of a comprehensive service;[;]

(II) to increase the self-reliance of communities in providing for the food needs of the communities; and

(III) to promote comprehensive responses to local food, food access, farm, and nutrition issues; or

(ii) to meet specific State, local, or neighborhood food and agricultural needs, including needs relating to—

(I) equipment necessary for the efficient operation of a project;

(II) planning for long-term solutions; or

(III) the creation of innovative marketing activities that mutually benefit agricultural producers and low-income consumers.

(2) GLEANER.—The term “gleaner” means an entity that—

(A) collects edible, surplus food that would be thrown away and distributes the food to agencies or nonprofit organizations that feed the hungry; or

- (B) harvests for free distribution to the needy, or for donation to agencies or nonprofit organizations for ultimate distribution to the needy, an agricultural crop that has been donated by the owner of the crop.
- (3) HUNGER-FREE COMMUNITIES GOAL.—The term “hunger-free communities goal” means any of the 14 goals described in House Concurrent Resolution 302, 102nd Congress, agreed to October 5, 1992.
- (b) AUTHORITY TO PROVIDE ASSISTANCE.—
- (1) IN GENERAL.—From amounts made available to carry out this Act, the Secretary may make grants to assist eligible private nonprofit entities to establish and carry out community food projects.
- (2) LIMITATION ON GRANTS.—The total amount of funds provided as grants under this section may not exceed—
- (A) \$1,000,000 for fiscal year 1996;
 - (B) \$5,000,000 for each of fiscal years 2008 through 2014; and
 - (C) \$9,000,000 for fiscal year 2015 and each fiscal year thereafter.
- (c) ELIGIBLE ENTITIES.—To be eligible for a grant under subsection (b), a public food program service provider, a tribal organization, or a private nonprofit entity, including gleaners, must—
- (1) have experience in the area of—
 - (A) community food work, particularly concerning small and medium-sized farms, including the provision of food to people in low-income communities and the development of new markets in low-income communities for agricultural producers;
 - (B) job training and business development activities for food-related activities in low-income communities; or
 - (C) efforts to reduce food insecurity in the community, including food distribution, improving access to services, or coordinating services and programs;
 - (2) demonstrate competency to implement a project, provide fiscal accountability, collect data, and prepare reports and other necessary documentation;
 - (3) demonstrate a willingness to share information with researchers, practitioners, and other interested parties; and
 - (4) collaborate with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.
- (d) PREFERENCE FOR CERTAIN PROJECTS.—In selecting community food projects to receive assistance under subsection (b), the Secretary shall give a preference to projects designed to—
- (1) develop linkages between 2 or more sectors of the food system;
 - (2) support the development of entrepreneurial projects;
 - (3) develop innovative linkages between the for-profit and nonprofit food sectors;
 - (4) encourage long-term planning activities, and multi-system, interagency approaches with multistakeholder collaborations, that build the long-term capacity of communities to address the food and agricultural problems of the communities, such as food policy councils and food planning associations; or

(5) develop new resources and strategies to help reduce food insecurity in the community and prevent food insecurity in the future by—

(A) developing creative food resources;

(B) coordinating food services with park and recreation programs and other community-based outlets to reduce barriers to access; or

(C) creating nutrition education programs for at-risk populations to enhance food-purchasing and food-preparation skills and to heighten awareness of the connection between diet and health.

(e) MATCHING FUNDS REQUIREMENTS.—

(1) REQUIREMENTS.—The Federal share of the cost of establishing or carrying out a community food project that receives assistance under subsection (b) may not exceed 50 percent of the cost of the project during the term of the grant.

(2) CALCULATION.—In providing for the non-Federal share of the cost of carrying out a community food project, the entity receiving the grant shall provide for the share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services.

(3) SOURCES.—An entity may provide for the non-Federal share through State government, local government, or private sources.

(f) TERM OF GRANT.—

(1) SINGLE GRANT.—A community food project may be supported by only a single grant under subsection (b).

(2) TERM.—The term of a grant under subsection (b) may not exceed 5 years.

(g) TECHNICAL ASSISTANCE AND RELATED INFORMATION.—

(1) TECHNICAL ASSISTANCE.—In carrying out this section, the Secretary may provide technical assistance regarding community food projects, processes, and development to an entity seeking the assistance.

(2) SHARING INFORMATION.—

(A) IN GENERAL.—The Secretary may provide for the sharing of information concerning community food projects and issues among and between government, private for-profit and nonprofit groups, and the public through publications, conferences, and other appropriate forums.

(B) OTHER INTERESTED PARTIES.—The Secretary may share information concerning community food projects with researchers, practitioners, and other interested parties.

(h) REPORTS TO CONGRESS.—Not later than September 30, 2014, and each year thereafter, the Secretary shall submit to Congress a report that describes each grant made under this section, including—

(1) a description of any activity funded;

(2) the degree of success of each activity funded in achieving hunger-free community goals; and

(3) the degree of success in improving the long-term capacity of a community to address food and agriculture problems related to hunger or access to healthy food.

SEC. 26. SIMPLIFIED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

(a) **DEFINITION OF FEDERAL COSTS.**—In this section, the term “Federal costs” does not include any Federal costs incurred under section 17.

(b) **ELECTION.**—Subject to subsection (d), a State may elect to carry [out a Simplified Food Stamp Program (referred] *out a simplified supplemental nutrition assistance program (referred to in this section as a “Program”),* statewide or in a political subdivision of the State, in accordance with this section.

(c) **OPERATION OF PROGRAM.**—If a State elects to carry out a Program, within the State or a political subdivision of the State—

(1) a household in which no members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may not participate in the Program;

(2) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program;

(3) if approved by the Secretary, a household in which 1 or more members but not all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be eligible to participate in the Program; and

(4) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(B) the supplemental nutrition assistance program; or

(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the supplemental nutrition assistance program.

(d) **APPROVAL OF PROGRAM.**—

(1) **STATE PLAN.**—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

(2) **APPROVAL OF PLAN.**—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

(A) complies with this section; and

(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

(e) **INCREASED FEDERAL COSTS.**—

(1) **DETERMINATION.**—

(A) **IN GENERAL.**—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

(B) **NO EXCLUDED HOUSEHOLDS.**—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

(C) **ALTERNATIVE ACCOUNTING PERIODS.**—The Secretary may approve the request of a State agency to apply alter-

native accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

(3) ENFORCEMENT.—

(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

(f) RULES AND PROCEDURES.—

(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the supplemental nutrition assistance program.

(2) STANDARDIZED DEDUCTIONS.—In operating a Program, a State or political subdivision of a State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall consider the work expenses, dependent care costs, and shelter costs of participating households.

(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

(A) subsections (a) through (f) of section 7;

(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

(C) subsections (b) and (d) of section 8;

(D) subsections (a), (c), (d), and (n) of section 11;

(E) paragraphs (8), (12), (15), (17), (18), (22), and (23) of section 11(e);

(F) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

(G) section 16.

(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.

SEC. 27. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) PURCHASE OF COMMODITIES.—

(1) IN GENERAL.—From amounts made available to carry out this Act, for each of the fiscal years 2014 through **[2018]** 2023, the Secretary shall purchase a dollar amount described in paragraph (2) of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled “An Act to amend the Agricultural Adjustment Act, and for other purposes”, approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7515).

(2) AMOUNTS.—The Secretary shall use to carry out paragraph (1)—

(A) for fiscal year 2008, \$190,000,000;

(B) for fiscal year 2009, \$250,000,000;

(C) for each of fiscal years 2010 through **[2018]** 2023, the dollar amount of commodities specified in subparagraph (B) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2008, and June 30 of the immediately preceding fiscal year;

(D) for each of fiscal years 2015 through **[2018]** 2019, the sum obtained by adding the total dollar amount of commodities specified in subparagraph (C) and—

(i) for fiscal year 2015, \$50,000,000;

(ii) for fiscal year 2016, \$40,000,000;

(iii) for fiscal year 2017, \$20,000,000; **[and]**

(iv) for fiscal year 2018, \$15,000,000; and

(v) for fiscal year 2019, \$60,000,000; and

(E) for fiscal year **[2019]** 2020 and each subsequent fiscal year, the total dollar amount of commodities specified in subparagraph **[(D)(iv)]** (D)(v) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) to reflect changes between June 30, **[2017]** 2018, and June 30 of the immediately preceding fiscal year.

(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

(A) make the funds available for 2 fiscal years; and

(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.

(4) FARM-TO-FOOD-BANK FUND.—From amounts made available under subparagraphs (D) and (E) of paragraph (2), the Secretary shall distribute \$20,000,000 in accordance with section 214 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7515) that States shall use to procure or enter into agreements with a food bank to procure excess fresh fruits and vegetables grown in the State, or surrounding regions in the United States, to be provided to eligible recipient agencies as defined in section 201A(3) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(3)).

(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

- (1) agricultural market conditions;
 - (2) preferences and needs of States and distributing agencies;
- and
- (3) preferences of recipients.

SEC. 28. NUTRITION EDUCATION AND OBESITY PREVENTION GRANT PROGRAM.

[(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term “eligible individual” means an individual who is eligible to receive benefits under a nutrition education and obesity prevention program under this section as a result of being—

[(1) an individual eligible for benefits under—

[(A) this Act;

[(B) sections 9(b)(1)(A) and 17(c)(4) of the Richard B Russell National School Lunch Act (42 U.S.C. 1758(b)(1)(A), 1766(c)(4)); or

[(C) section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A));

[(2) an individual who resides in a community with a significant low-income population, as determined by the Secretary; or

[(3) such other low-income individual as is determined to be eligible by the Secretary.]

(a) DEFINITIONS.—As used in this section:

(1) ELIGIBLE INDIVIDUAL.—The term “eligible individual” means an individual who is eligible to receive benefits under a nutrition education and obesity prevention program under this section as a result of being—

(A) an individual eligible for benefits under—

(i) this Act;

(ii) sections 9(b)(1)(A) and 17(c)(4) of the Richard B Russell National School Lunch Act (42 U.S.C. 1758(b)(1)(A), 1766(c)(4)); or

(iii) section 4(e)(1)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(A));

(B) an individual who resides in a community with a significant low-income population, as determined by the Secretary; or

(C) such other low-income individual as is determined to be eligible by the Secretary.

(2) ELIGIBLE INSTITUTION.—The term “eligible institution” includes any “1862 Institution” or “1890 Institution”, as defined in section 2 of the Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601).

(b) PROGRAMS.—[Consistent with the terms and conditions of grants awarded under this section, State agencies may] *The Secretary, acting through the Director of the National Institute of Food and Agriculture, in consultation with the Administrator of the Food and Nutrition Service, shall implement a nutrition education and obesity prevention program for eligible individuals that promotes healthy food choices and physical activity consistent with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).*

(c) DELIVERY OF NUTRITION EDUCATION AND OBESITY PREVENTION SERVICES.—

[(1) IN GENERAL.—State agencies may deliver nutrition education and obesity prevention services under a program described in subsection (b)—

[(A) directly to eligible individuals; or

[(B) through agreements with other State or local agencies or community organizations.]

(1) *IN GENERAL.*—*Consistent with the terms and conditions of grants awarded under this section, eligible institutions shall deliver nutrition education and obesity prevention services under a program described in subsection (b) that—*

(A) *to the extent practicable, provide for the employment and training of professional and paraprofessional aides from the target population to engage in direct nutrition education; and*

(B) *partner with other public and private entities as appropriate to optimize program delivery.*

(2) NUTRITION EDUCATION STATE PLANS.—

[(A) IN GENERAL.—A State agency that elects to provide nutrition education and obesity prevention services under this subsection shall submit to the Secretary for approval a nutrition education State plan.]

(A) *IN GENERAL.*—*A State agency, in consultation with eligible institutions that provide nutrition education and obesity prevention services under this subsection, shall submit to the Secretary for approval a nutrition education State plan.*

(B) REQUIREMENTS.—[Except as provided in subparagraph (C), a] A nutrition education State plan shall—

(i) identify the uses of the funding for local projects;

(ii) ensure that the interventions are appropriate for eligible individuals who are members of low-income populations by recognizing the constrained resources, and the potential eligibility for Federal food assistance programs, of members of those populations; and

(iii) conform to standards established by the Secretary through regulations, guidance, or grant award documents.

[(C) TRANSITION PERIOD.—During each of fiscal years 2011 and 2012, a nutrition education State plan under this section shall be consistent with the requirements of section 11(f) (as that section, other than paragraph (3)(C), existed on the day before the date of enactment of this section).]

(3) USE OF FUNDS.—

(A) IN GENERAL.—[A State agency] *An eligible institution* may use funds provided under this section for any evidence-based allowable use of funds identified by *the Director of the National Institute of Food and Agriculture and the Administrator of the Food and Nutrition Service of the Department of Agriculture in consultation with the Director of the Centers for Disease Control and Prevention of the Department of Health and Human Services, including—*

(i) individual and group-based nutrition education, health promotion, and intervention strategies;

(ii) comprehensive, multilevel interventions at multiple complementary organizational and institutional levels; and

(iii) community and public health approaches to improve nutrition.

(B) CONSULTATION.—In identifying allowable uses of funds under subparagraph (A) and in seeking to strengthen delivery, oversight, and evaluation of nutrition education, *the Director of the National Institute of Food and Agriculture* and the Administrator of the Food and Nutrition Service shall consult with the Director of the Centers for Disease Control and Prevention and outside stakeholders and experts, including—

(i) representatives of the academic and research communities;

(ii) nutrition education practitioners;

(iii) representatives of State and local governments; and

(iv) community organizations that serve low-income populations.

(4) NOTIFICATION.—To the maximum extent practicable, State agencies *and eligible institutions* shall notify applicants, participants, and eligible individuals under this Act of the availability of nutrition education and obesity prevention services under this section in local communities.

(5) COORDINATION.—Subject to the approval of the Secretary, projects carried out with funds received under this section may be coordinated with other health promotion or nutrition improvement strategies, whether public or privately funded, if the projects carried out with funds received under this section remain under the administrative control of the [State agency] *eligible institutions*.

(d) FUNDING.—

(1) [IN GENERAL] *BASIC FUNDING*.—Of funds made available each fiscal year under section 18(a)(1), the Secretary shall reserve for allocation [to State agencies] to carry out the nutrition education and obesity prevention grant program under this section, to remain available for obligation for a period of 2 fiscal years—

(A) for fiscal year 2011, \$375,000,000;

(B) for fiscal year 2012, \$388,000,000;

(C) for fiscal year 2013, \$285,000,000;

(D) for fiscal year 2014, \$401,000,000;

(E) for fiscal year 2015, \$407,000,000; [and]

(F) for fiscal [year 2016 and each subsequent fiscal year] *years 2016 through 2018*, the applicable amount during the preceding fiscal year, as adjusted to reflect any increases for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor[.];

(G) for fiscal year 2019, \$485,000,000; and

(H) for fiscal year 2020 and each subsequent fiscal year, the applicable amount during the preceding fiscal year, as adjusted to reflect any increases for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(2) AUTHORIZATION AND ADVANCE AVAILABILITY OF APPROPRIATIONS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$65,000,000 for each of the fiscal years 2019 through 2023.

(B) APPROPRIATION IN ADVANCE.—Except as provided in subparagraph (C), only funds appropriated under subparagraph (A) in advance specifically to carry out this section shall be available to carry out this section.

(C) OTHER FUNDS.—Funds appropriated under this paragraph shall be in addition to funds made available under paragraph (1).

[(2)] (3) ALLOCATION.—

(A) INITIAL ALLOCATION.—Of the funds set aside under paragraph (1) and appropriated under the authority of paragraph (2), as determined by the Secretary—

(i) for each of fiscal years 2011 through 2013, 100 percent shall be allocated to State agencies in direct proportion to the amount of funding that the State received for carrying out section 11(f) (as that section existed on the day before the date of enactment of this section) during fiscal year 2009, as reported to the Secretary as of February 2010; and

(ii) subject to a reallocation under subparagraph (B) (as that section existed on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018)—

(I) for fiscal year 2014—

(aa) 90 percent shall be allocated to State agencies in accordance with clause (i); and

(bb) 10 percent shall be allocated to State agencies based on the respective share of each State of the number of individuals participating in the supplemental nutrition assistance program during the 12-month period ending the preceding January 31;

(II) for fiscal year 2015—

(aa) 80 percent shall be allocated to State agencies in accordance with clause (i); and

(bb) 20 percent shall be allocated in accordance with subclause (I)(bb);

(III) for fiscal year 2016—

(aa) 70 percent shall be allocated to State agencies in accordance with clause (i); and

(bb) 30 percent shall be allocated in accordance with subclause (I)(bb);

(IV) for fiscal year 2017—

(aa) 60 percent shall be allocated to State agencies in accordance with clause (i); and

- (bb) 40 percent shall be allocated in accordance with subclause (I)(bb); and
 (V) for fiscal year 2018 [and each fiscal year thereafter]—
 (aa) 50 percent shall be allocated to State agencies in accordance with clause (i); and
 (bb) 50 percent shall be allocated in accordance with subclause (I)(bb).

[(B) REALLOCATION.—

[(i) IN GENERAL.—If the Secretary determines that a State agency will not expend all of the funds allocated to the State agency for a fiscal year under paragraph (1) or in the case of a State agency that elects not to receive the entire amount of funds allocated to the State agency for a fiscal year, the Secretary shall reallocate the unexpended funds to other States during the fiscal year or the subsequent fiscal year (as determined by the Secretary) that have approved State plans under which the State agencies may expend the reallocated funds.

[(ii) EFFECT OF ADDITIONAL FUNDS.—

[(I) FUNDS RECEIVED.—Any reallocated funds received by a State agency under clause (i) for a fiscal year shall be considered to be part of the fiscal year 2009 base allocation of funds to the State agency for that fiscal year for purposes of determining allocation under subparagraph (A) for the subsequent fiscal year.

[(II) FUNDS SURRENDERED.—Any funds surrendered by a State agency under clause (i) shall not be considered to be part of the fiscal year 2009 base allocation of funds to a State agency for that fiscal year for purposes of determining allocation under subparagraph (A) for the subsequent fiscal year.]

(B) SUBSEQUENT ALLOCATION.—Of the funds set aside under paragraph (1) and appropriated under the authority of paragraph (2) for fiscal year 2019 and each fiscal year thereafter, 100 percent shall be allocated to eligible institutions pro rata based on the respective share of each State of the number of individuals participating in the supplemental nutrition assistance program during the 12-month period ending the preceding January 31, as determined by the Secretary.

(C) REALLOCATION.—If the Secretary determines that an eligible institution will not expend all of the funds allocated to the eligible institution for a fiscal year under paragraph (1) or in the case of an eligible institution that elects not to receive the entire amount of funds allocated to the eligible institution for a fiscal year, the Secretary shall reallocate the unexpended funds to other eligible institutions during the fiscal year or the subsequent fiscal year (as determined by the Secretary) that have approved State plans under which the eligible institutions may expend the reallocated funds.

[(3)] (4) LIMITATION ON FEDERAL FINANCIAL PARTICIPATION.—

(A) **IN GENERAL.**—Grants awarded under this section shall be the only source of Federal financial participation under this Act in nutrition education and obesity prevention.

(B) **EXCLUSION.**—Any costs of nutrition education and obesity prevention in excess of the grants authorized under this section shall not be eligible for reimbursement under section 16(a).

(5) **ADMINISTRATIVE COSTS.**—*Not more than 10 percent of the funds allocated to eligible institutions may be used by the eligible institutions for administrative costs.*

(e) **IMPLEMENTATION.**—Not later than **[January 1, 2012]** *18 months after the date of the enactment of the Agriculture and Nutrition Act of 2018*, the Secretary shall publish in the Federal Register a description of the requirements for the receipt of a grant under this section.

SEC. 29. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

(a) **PURPOSE.**—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.

(b) **USE OF FUNDS.—**

(1) **IN GENERAL.**—Additional funds are provided under this section to supplement the retail food store and recipient integrity activities of the Department.

(2) **INFORMATION TECHNOLOGIES.**—The Secretary shall use an appropriate amount of the funds provided under this section to employ information technologies known as data mining and data warehousing and other available information technologies to administer the supplemental nutrition assistance program and enforce regulations promulgated under section 4(c).

(c) **FUNDING.—**

(1) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2014 through **[2018]** *2023*.

(2) **MANDATORY FUNDING.—**

(A) **IN GENERAL.**—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than \$15,000,000 for fiscal year 2014, to remain available until expended.

(B) **RECEIPT AND ACCEPTANCE.**—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subparagraph (A), without further appropriation.

(C) **MAINTENANCE OF FUNDING.**—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.

SEC. 30. DUPLICATIVE ENROLLMENT DATABASE.

(a) **IN GENERAL.**—*The Secretary shall establish an interstate database, or system of databases, of supplemental nutrition assist-*

ance program information to be known as the *Duplicative Enrollment Database* that shall include the data submitted by each State pursuant to section 11(e)(26) and that shall meet security standards as determined by the Secretary.

(b) **PURPOSE.**—Any database, or system of databases, established pursuant to subsection (a) shall be used by States when making eligibility determinations to prevent supplemental nutrition assistance program participants from receiving duplicative benefits in multiple States.

(c) **IMPLEMENTATION.**—

(1) **ISSUANCE OF INTERIM FINAL REGULATIONS.**—Not later than 18 months after the effective date of this section, the Secretary shall issue interim final regulations to carry out this section that—

(A) incorporate best practices and lessons learned from the regional pilot project referenced in section 4032(c) of the Agricultural Act of 2014 (7 U.S.C. 2036c(c));

(B) protect the privacy of supplemental nutrition assistance program participants and applicants consistent with section 11(e)(8); and

(C) detail the process States will be required to follow for—

(i) conducting initial and ongoing matches of participant and applicant data;

(ii) identifying and acting on all apparent instances of duplicative participation by participants or applicants in multiple States;

(iii) disenrolling an individual who has applied to participate in another State in a manner sufficient to allow the State in which the individual is currently applying to comply with sections 11(e)(3) and (9); and

(iv) complying with such other rules and standards the Secretary determines appropriate to carry out this section.

(2) **TIMING.**—The initial match and corresponding actions required by paragraph (1)(C) shall occur within 3 years after the date of the enactment of the Agriculture and Nutrition Act of 2018.

(d) **REPORTS.**—Using the data submitted to the *Duplicative Enrollment Database*, the Secretary shall publish an annual report analyzing supplemental nutrition assistance program participant characteristics, including participant tenure on the program. The report shall be made available to the public in a manner that prevents identification of participants that receive supplemental nutrition assistance program benefits.

SEC. 31. RETAILER-FUNDED INCENTIVES PILOT.

(a) **IN GENERAL.**—The Secretary shall establish a pilot project in accordance with subsection (d) through which participating retail food stores provide bonuses to participating households based on household purchases of fruits, vegetables, and fluid milk.

(b) **DEFINITIONS.**—For purposes of this section—

(1) The term “bonus” means a financial incentive provided at the point of sale to a participating household that expends a portion of its allotment for the purchase of fruits, vegetables, or fluid milk.

(2) The term “fluid milk” means cow milk without flavoring or sweeteners and packaged in liquid form.

(3) The term “fruits” means minimally processed fruits.

(4) The term “retail food store” means a retail food store as defined in section 3(o)(1) that is authorized to accept and redeem benefits under the supplemental nutrition assistance program.

(5) The term “vegetables” means minimally processed vegetables.

(c) **PROJECT PARTICIPANT PLANS.**—To participate in the pilot project established under subsection (a), a retail food store shall submit to the Secretary for approval a plan that includes—

(1) a method of quantifying the cost of fruits, vegetables, and fluid milk, that will earn households a bonus;

(2) a method of providing bonuses to participating households and adequately testing such method;

(3) a method of ensuring bonuses earned by households may be used only to purchase food eligible for purchase under the supplemental nutrition assistance program;

(4) a method of educating participating households about the availability and use of a bonus;

(5) a method of providing data and reports, as requested by the Secretary, for purposes of analyzing the impact of the pilot project established under subsection (a) on household access, ease of bonus use, and program integrity; and

(6) such other criteria, including security criteria, as established by the Secretary.

(d) **PILOT PROJECT REQUIREMENTS.**—Retail food stores with plans approved under subsection (c) to participate in the pilot project established under subsection (a) shall—

(1) provide a bonus in a dollar amount not to exceed 10 percent of the price of the purchased fruits, vegetables, and fluid milk;

(2) fund the dollar amount of bonuses used by households, and pay for administrative costs, such as fees and system costs, associated with providing such bonuses;

(3) ensure that bonuses earned by households may be used only to purchase food eligible for purchase under the supplemental nutrition assistance program; and

(4) provide data and reports as requested by the Secretary for purposes of analyzing the impact of the pilot project established under subsection (a) on household access, ease of bonus use, and program integrity.

(e) **LIMITATION.**—A retail food store participating in a project under section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517) shall not be eligible to participate in the pilot project established under subsection (a).

(f) **IMPLEMENTATION.**—Not later than 18 months after the date of the enactment of Agriculture and Nutrition Act of 2018, the Secretary shall solicit and approve plans submitted under subsection (c) that satisfy the requirements of such subsection.

(g) **REIMBURSEMENTS.**—

(1) **RATE OF REIMBURSEMENT.**—Subject to paragraphs (2) and (3), the Secretary shall reimburse retail food stores with plans approved under subsection (f) in an amount not to exceed 25

percent of the dollar value of bonuses earned by households and used to purchase food eligible for purchase under the supplemental nutrition assistance program.

(2) AGGREGATE AMOUNT OF REIMBURSEMENTS.—The aggregate amount of reimbursements paid in a fiscal year to all retail food stores that participate in the pilot project established under subsection (a) in such fiscal year shall not exceed \$120,000,000.

(3) REQUIREMENTS.—

(A) TIMELINE.—Not later than 1 year after the date of the enactment of the Agriculture and Nutrition Act of 2018, the Secretary shall establish requirements to implement this section, including criteria for prioritizing reimbursements to such stores within the limit established in paragraph (2) and subject to subparagraph (B).

(B) DISTRIBUTION OF REIMBURSEMENTS.—

(i) MONTHLY PAYMENTS.—Reimbursements payable under this subsection shall be paid on a monthly basis.

(ii) PRORATED PAYMENTS.—If funds made available under subsection (h) are insufficient to pay in full reimbursements payable for a month because of the operation of paragraph (2), such reimbursements shall be paid on a pro rata basis to the extent funds remain available for payment.

(h) FUNDING.—From funds made available under section 18(a)(1) for a fiscal year, the Secretary shall allocate not to exceed \$120,000,000 for reimbursements payable under this section for such fiscal year.

LOW-INCOME HOME ENERGY ASSISTANCE ACT

* * * * *

TITLE XXVI—LOW-INCOME HOME ENERGY ASSISTANCE

* * * * *

APPLICATIONS AND REQUIREMENTS

SEC. 2605. (a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

(2) After the expiration of the first fiscal year for which a State receives funds under this title, no funds shall be allotted to such State for any fiscal year under this title unless such State conduct public hearings with respect to the proposed use and distribution of funds to be provided under this title for such fiscal year.

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to—

(1) use the funds available under this title to—

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs,

- particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
- (B) intervene in energy crisis situations;
 - (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
 - (D) plan, develop, and administer the State's program under this title including leveraging programs,
- and the State agrees not to use such funds for any purposes other than those specified in this title;
- (2) make payments under this title only with respect to—
- (A) households in which 1 or more individuals are receiving—
 - (i) assistance under the State program funded under part A of title IV of the Social Security Act;
 - (ii) supplemental security income payments under title XVI of the Social Security Act;
 - (iii) supplemental nutrition assistance program benefits under the Food and Nutrition Act of 2008; or
 - (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
 - (B) households with incomes which do not exceed the greater of—
 - (i) an amount equal to 150 percent of the poverty level for such State; or
 - (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income;
- (3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;
- (4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered

under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses (2)(A) and (2)(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to—

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendored payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that (A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and (B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that—

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining costs (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the “Single Audit Act”);

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness;

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610;

(15) beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging, and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer intake functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs; and

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection. The Secretary shall issue regulations to prevent waste, fraud, and abuse in the programs assisted by this title. Not later than 18 months after the date of the enactment of the Low-Income Home Energy Assistance Amendments of 1994, the Secretary shall develop model performance goals and measurements in consultation with State, territorial, tribal, and local grantees, that the States may use to assess the success of the States in achieving the purposes of this title. The model performance goals and measurements shall be made available to States to be incorporated, at the option of the States, into the plans for fiscal year 1997. The Secretary may request data relevant to the development of model performance goals and measurements.

(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary, in such format as the Secretary may require, a plan which—

(A) describes the eligibility requirements to be used by the State for each type of assistance to be provided under this title, including criteria for designating an emergency under section 2604(c);

(B) describes the benefit levels to be used by the State for each type of assistance including assistance to be provided for emergency crisis intervention and for weatherization and other energy-related home repair;

(C) contains estimates of the amount of funds the State will use for each of the programs under such plan and describes the alternative use of funds reserved under section 2604(c) in the event any portion of the amount so reserved is not expended for emergencies;

(D) describes weatherization and other energy-related home repair the State will provide under subsection (k), including any steps the State will take to address the weatherization and energy-related home repair needs of households that have high home energy burdens, and describes any rules promulgated by the Department of Energy for administration of its Low Income Weatherization Assistance Program which the State, to the extent permitted by the Secretary to increase consistency between federally assisted programs, will follow regarding the use of funds provided under this title by the State for such weatherization and energy-related home repairs and improvements;

(E) describes any steps that will be taken (in addition to those necessary to carry out the assurance contained in paragraph (5) of subsection (b)) to target assistance to households with high home energy burdens;

(F) describes how the State will carry out assurances in clauses (3), (4), (5), (6), (7), (8), (10), (12), (13), and (15) of subsection (b);

(G) states, with respect to the 12-month period specified by the Secretary, the number and income levels of households which apply and the number which are assisted with funds provided under this title, and the number of households so assisted with—

- (i) one or more members who had attained 60 years of age;
 - (ii) one or more members who were disabled; and
 - (iii) one or more young children; and
- (H) contains any other information determined by the Secretary to be appropriate for purposes of this title.

The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

(2) Each plan prepared under paragraph (1) and each substantial revision thereof shall be made available for public inspection within the State involved in such a manner as will facilitate timely and meaningful review of, and comment upon, such plan or substantial revision.

(3) Not later than April 1 of each fiscal year the Secretary shall make available to the States a model State plan format that may be used, at the option of each State, to prepare the plan required under paragraph (1) for the next fiscal year.

(d) The State shall expend funds in accordance with the State plan under this title or in accordance with revisions applicable to such plan.

(e) Each State shall, in carrying out the requirements of subsection (b)(10), obtain financial and compliance audits of any funds which the State receives under this title. Such audits shall be made public within the State on a timely basis. The audits shall be conducted in accordance with chapter 75 of title 31, United States Code.

(f)(1) Notwithstanding any other provision of law unless enacted in express limitation of this paragraph, the amount of any home energy assistance payments or allowances provided directly to, or indirectly for the benefit of, an eligible household under this title shall not be considered income or resources of such household (or any member thereof) for any purpose under any Federal or State law, including any law relating to taxation, supplemental nutrition assistance program benefits, public assistance, or welfare programs.

(2) For purposes of paragraph (1) of this subsection and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e))—

(A) the full amount of such payments or allowances shall be deemed to be expended by such household for heating or cooling expenses, without regard to whether such payments or allowances are provided directly to, or indirectly for the benefit of, such household, except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances were greater than \$20 annually *received by a household with an elderly member*, consistent with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the Secretary of Agriculture; and

(B) no distinction may be made among households on the basis of whether such payments or allowances are provided directly to, or indirectly for the benefit of, any of such households.

(g) The State shall repay to the United States amounts found not to have been expended in accordance with this title or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title.

(h) The Comptroller General of the United States shall, from time to time evaluate the expenditures by States of grants under this title in order to assure that expenditures are consistent with the provisions of this title and to determine the effectiveness of the State in accomplishing the purposes of this title.

(i) A household which is described in subsection (b)(2)(A) solely by reason of clause (ii) thereof shall not be treated as a household described in subsection (b)(2) if the eligibility of the household is dependent upon—

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments under title XIX of the Social Security Act with respect to such individual;

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of the Social Security Act applies; or

(3) a child described in section 1614(f)(2) of the Social Security Act who is living together with a parent, or the spouse of a parent, of the child.

(j) In verifying income eligibility for purposes of subsection (b)(2)(B), the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under subtitle B of title VI of this Act (relating to community services block grant program), under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act, or under other income assistance or service programs (as determined by the State).

(k)(1) Except as provided in paragraph (2), not more than 15 percent of the greater of—

(A) the funds allotted to a State under this title for any fiscal year; or

(B) the funds available to such State under this title for such fiscal year;

may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(2)(A) If a State receives a waiver granted under subparagraph (B) for a fiscal year, the State may use not more than the greater of 25 percent of—

(i) the funds allotted to a State under this title for such fiscal year; or

(ii) the funds available to such State under this title for such fiscal year;

for residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(B) For purposes of subparagraph (A), the Secretary may grant a waiver to a State for a fiscal year if the State submits a written request to the Secretary after March 31 of such fiscal year and if the Secretary determines, after reviewing such request and any public comments, that—

(i)(I) the number of households in the State that will receive benefits, other than weatherization and energy-related home repair, under this title in such fiscal year will not be fewer than the number of households in the State that received benefits, other than weatherization and energy-related home repair, under this title in the preceding fiscal year;

(II) the aggregate amounts of benefits that will be received under this title by all households in the State in such fiscal year will not be less than the aggregate amount of such benefits that were received under this title by all households in the State in the preceding fiscal year; and

(III) such weatherization activities have been demonstrated to produce measurable savings in energy expenditures by low-income households; or

(ii) in accordance with rules issued by the Secretary, the State demonstrates good cause for failing to satisfy the requirements specified in clause (i).

(1)(1) Any State may use amounts provided under this title for the purpose of providing credits against State tax to energy suppliers who supply home energy at reduced rates to low-income households.

(2) Any such credit provided by a State shall not exceed the amount of the loss of revenue to such supplier on account of such reduced rate.

(3) Any certification for such tax credits shall be made by the State, but such State may use Federal data available to such State with respect to recipients of supplemental security income benefits if timely delivery of benefits to households described in subsection (b) and suppliers will not be impeded by the use of such data.

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INTERNAL REVENUE CODE OF 1986

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Subtitle A—Income Taxes

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CHAPTER 1—NORMAL TAXES AND SURTAXES

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Subchapter A—Determination of Tax Liability

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PART IV—CREDITS AGAINST TAX

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Subpart F—Rules for Computing Work Opportunity Credit

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SEC. 51. AMOUNT OF CREDIT.

(a) **DETERMINATION OF AMOUNT.**—For purposes of section 38, the amount of the work opportunity credit determined under this section for the taxable year shall be equal to 40 percent of the qualified first-year wages for such year.

(b) **QUALIFIED WAGES DEFINED.**—For purposes of this subpart—

(1) **IN GENERAL.**—The term “qualified wages” means the wages paid or incurred by the employer during the taxable year to individuals who are members of a targeted group.

(2) **QUALIFIED FIRST-YEAR WAGES.**—The term “qualified first-year wages” means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

(3) **LIMITATION ON WAGES PER YEAR TAKEN INTO ACCOUNT.**—The amount of the qualified first-year wages which may be taken into account with respect to any individual shall not exceed \$6,000 per year (\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii)(I), \$14,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(iv), and \$24,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii)(II)).

(c) **WAGES DEFINED.**—For purposes of this subpart—

(1) **IN GENERAL.**—Except as otherwise provided in this subsection and subsection (h)(2), the term “wages” has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

(2) **ON-THE-JOB TRAINING AND WORK SUPPLEMENTATION PAYMENTS.**—

(A) **EXCLUSION FOR EMPLOYERS RECEIVING ON-THE-JOB TRAINING PAYMENTS.**—The term “wages” shall not include any amounts paid or incurred by an employer for any period to any individual for whom the employer receives federally funded payments for on-the-job training of such individual for such period.

(B) **REDUCTION FOR WORK SUPPLEMENTATION PAYMENTS TO EMPLOYERS.**—The amount of wages which would (but for this subparagraph) be qualified wages under this section for an employer with respect to an individual for a taxable year shall be reduced by an amount equal to the amount of the payments made to such employer (however utilized by such employer) with respect to such individual for such taxable year under a program established under section 482(e) of the Social Security Act.

(3) **PAYMENTS FOR SERVICES DURING LABOR DISPUTES.**—If—

(A) the principal place of employment of an individual with the employer is at a plant or facility, and

(B) there is a strike or lockout involving employees at such plant or facility, the term “wages” shall not include any amount paid or incurred by the employer to such individual for services which are the same as, or substantially similar to, those services performed by employees participating in, or affected by, the strike or lockout during the period of such strike or lockout.

(4) TERMINATION.—The term “wages” shall not include any amount paid or incurred to an individual who begins work for the employer after December 31, 2019.

(5) COORDINATION WITH PAYROLL TAX FORGIVENESS.—The term “wages” shall not include any amount paid or incurred to a qualified individual (as defined in section 3111(d)(3)) during the 1-year period beginning on the hiring date of such individual by a qualified employer (as defined in section 3111(d)) unless such qualified employer makes an election not to have section 3111(d) apply.

(d) MEMBERS OF TARGETED GROUPS.—For purposes of this subpart—

(1) IN GENERAL.—An individual is a member of a targeted group if such individual is—

- (A) a qualified IV-A recipient,
- (B) a qualified veteran,
- (C) a qualified ex-felon,
- (D) a designated community resident,
- (E) a vocational rehabilitation referral,
- (F) a qualified summer youth employee,
- (G) a qualified supplemental nutrition assistance program benefits recipient,
- (H) a qualified SSI recipient,
- (I) a long-term family assistance recipient, or
- (J) a qualified long-term unemployment recipient.

(2) QUALIFIED IV-A RECIPIENT.—

(A) IN GENERAL.—The term “qualified IV-A recipient” means any individual who is certified by the designated local agency as being a member of a family receiving assistance under a IV-A program for any 9 months during the 18-month period ending on the hiring date.

(B) IV-A PROGRAM.—For purposes of this paragraph, the term “IV-A program” means any program providing assistance under a State program funded under part A of title IV of the Social Security Act and any successor of such program.

(3) QUALIFIED VETERAN.—

(A) IN GENERAL.—The term “qualified veteran” means any veteran who is certified by the designated local agency as—

- (i) being a member of a family receiving assistance under a supplemental nutrition assistance program under the Food and Nutrition Act of 2008 for at least a 3-month period ending during the 12-month period ending on the hiring date,
- (ii) entitled to compensation for a service-connected disability, and—

(I) having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months,

(iii) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 4 weeks (but less than 6 months), or

(iv) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.

(B) VETERAN.—For purposes of subparagraph (A), the term “veteran” means any individual who is certified by the designated local agency as—

(i)

(I) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, or

(II) having been discharged or released from active duty in the Armed Forces of the United States for a service-connected disability, and

(ii) not having any day during the 60-day period ending on the hiring date which was a day of extended active duty in the Armed Forces of the United States.

For purposes of clause (ii), the term “extended active duty” means a period of more than 90 days during which the individual was on active duty (other than active duty for training).

(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms “compensation” and “service-connected” have the meanings given such terms under section 101 of title 38, United States Code.

(4) QUALIFIED EX-FELON.—The term “qualified ex-felon” means any individual who is certified by the designated local agency—

(A) as having been convicted of a felony under any statute of the United States or any State, and

(B) as having a hiring date which is not more than 1 year after the last date on which such individual was so convicted or was released from prison.

(5) DESIGNATED COMMUNITY RESIDENTS.—

(A) IN GENERAL.—The term “designated community resident” means any individual who is certified by the designated local agency—

(i) as having attained age 18 but not age 40 on the hiring date, and

(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term “qualified wages” shall not include

wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term “rural renewal county” means any county which—

- (i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and
- (ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.

(6) VOCATIONAL REHABILITATION REFERRAL.—The term “vocational rehabilitation referral” means any individual who is certified by the designated local agency as—

- (A) having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment, and
- (B) having been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to—

- (i) an individualized written plan for employment under a State plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973,
- (ii) a program of vocational rehabilitation carried out under chapter 31 of title 38, United States Code, or
- (iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.

(7) QUALIFIED SUMMER YOUTH EMPLOYEE.—

(A) IN GENERAL.—The term “qualified summer youth employee” means any individual—

- (i) who performs services for the employer between May 1 and September 15,
- (ii) who is certified by the designated local agency as having attained age 16 but not 18 on the hiring date (or if later, on May 1 of the calendar year involved),
- (iii) who has not been an employee of the employer during any period prior to the 90-day period described in subparagraph (B)(i), and
- (iv) who is certified by the designated local agency as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

(B) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified summer youth employee—

- (i) subsection (b)(2) shall be applied by substituting “any 90-day period between May 1 and September 15” for “the 1-year period beginning with the day the individual begins work for the employer”, and
- (ii) subsection (b)(3) shall be applied by substituting “\$3,000” for “\$6,000”.

The preceding sentence shall not apply to an individual who, with respect to the same employer, is certified as a member of another targeted group after such individual has been a qualified summer youth employee.

(C) YOUTH MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.—Paragraph (5)(B) shall apply for purposes of subparagraph (A)(iv).

(8) QUALIFIED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS RECIPIENT.—

(A) IN GENERAL.—The term “qualified supplemental nutrition assistance program benefits recipient” means any individual who is certified by the designated local agency—

(i) as having attained age 18 but not age 40 on the hiring date, and

(ii) as being a member of a [family—]

[(I) receiving] *family receiving* assistance under a supplemental nutrition assistance program under the Food and Nutrition Act of 2008 for the 6-month period ending on the hiring date[, or].

[(II) receiving such assistance for at least 3 months of the 5-month period ending on the hiring date, in the case of a member of a family who ceases to be eligible for such assistance under section 6(o) of the Food and Nutrition Act of 2008.]

(B) PARTICIPATION INFORMATION.—Notwithstanding any other provision of law, the Secretary of the Treasury and the Secretary of Agriculture shall enter into an agreement to provide information to designated local agencies with respect to participation in the supplemental nutrition assistance program.

(9) QUALIFIED SSI RECIPIENT.—The term “qualified SSI recipient” means any individual who is certified by the designated local agency as receiving supplemental security income benefits under title XVI of the Social Security Act (including supplemental security income benefits of the type described in section 1616 of such Act or section 212 of Public Law 93-66) for any month ending within the 60-day period ending on the hiring date.

(10) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—The term “long-term family assistance recipient” means any individual who is certified by the designated local agency—

(A) as being a member of a family receiving assistance under a IV-A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

(B)

(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

(C)

(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limita-

tion imposed by Federal or State law on the maximum period such assistance is payable to a family, and

(ii) as having a hiring date which is not more than 2 years after the date of such cessation.

(11) **HIRING DATE.**—The term “hiring date” means the day the individual is hired by the employer.

(12) **DESIGNATED LOCAL AGENCY.**—The term “designated local agency” means a State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49-49n).

(13) **SPECIAL RULES FOR CERTIFICATIONS.**—

(A) **IN GENERAL.**—An individual shall not be treated as a member of a targeted group unless—

(i) on or before the day on which such individual begins work for the employer, the employer has received a certification from a designated local agency that such individual is a member of a targeted group, or

(ii)

(I) on or before the day the individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and

(II) not later than the 28th day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated local agency as part of a written request for such a certification from such agency.

For purposes of this paragraph, the term “pre-screening notice” means a document (in such form as the Secretary shall prescribe) which contains information provided by the individual on the basis of which the employer believes that the individual is a member of a targeted group.

(B) **INCORRECT CERTIFICATIONS.**—If—

(i) an individual has been certified by a designated local agency as a member of a targeted group, and

(ii) such certification is incorrect because it was based on false information provided by such individual, the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages.

(C) **EXPLANATION OF DENIAL OF REQUEST.**—If a designated local agency denies a request for certification of membership in a targeted group, such agency shall provide to the person making such request a written explanation of the reasons for such denial.

(D) **CREDIT FOR UNEMPLOYED VETERANS.**—

(i) **IN GENERAL.**—Notwithstanding subparagraph (A), for purposes of paragraph (3)(A)—

(I) a veteran will be treated as certified by the designated local agency as having aggregate periods of unemployment meeting the requirements of clause (ii)(II) or (iv) of such paragraph (whichever is applicable) if such veteran is certified by such

agency as being in receipt of unemployment compensation under State or Federal law for not less than 6 months during the 1-year period ending on the hiring date, and

(II) a veteran will be treated as certified by the designated local agency as having aggregate periods of unemployment meeting the requirements of clause (iii) of such paragraph if such veteran is certified by such agency as being in receipt of unemployment compensation under State or Federal law for not less than 4 weeks (but less than 6 months) during the 1-year period ending on the hiring date.

(ii) REGULATORY AUTHORITY.—The Secretary may provide alternative methods for certification of a veteran as a qualified veteran described in clause (ii)(II), (iii), or (iv) of paragraph (3)(A), at the Secretary's discretion.

(14) CREDIT ALLOWED FOR UNEMPLOYED VETERANS AND DISCONNECTED YOUTH HIRED IN 2009 OR 2010.—

(A) IN GENERAL.—Any unemployed veteran or disconnected youth who begins work for the employer during 2009 or 2010 shall be treated as a member of a targeted group for purposes of this subpart.

(B) DEFINITIONS.—For purposes of this paragraph—

(i) UNEMPLOYED VETERAN.—The term “unemployed veteran” means any veteran (as defined in paragraph (3)(B), determined without regard to clause (ii) thereof) who is certified by the designated local agency as—

(I) having been discharged or released from active duty in the Armed Forces at any time during the 5-year period ending on the hiring date, and

(II) being in receipt of unemployment compensation under State or Federal law for not less than 4 weeks during the 1-year period ending on the hiring date.

(ii) DISCONNECTED YOUTH.—The term “disconnected youth” means any individual who is certified by the designated local agency—

(I) as having attained age 16 but not age 25 on the hiring date,

(II) as not regularly attending any secondary, technical, or post-secondary school during the 6-month period preceding the hiring date,

(III) as not regularly employed during such 6-month period, and

(IV) as not readily employable by reason of lacking a sufficient number of basic skills.

(15) QUALIFIED LONG-TERM UNEMPLOYMENT RECIPIENT.—The term “qualified long-term unemployment recipient” means any individual who is certified by the designated local agency as being in a period of unemployment which—

(A) is not less than 27 consecutive weeks, and

(B) includes a period in which the individual was receiving unemployment compensation under State or Federal law.

(e) CREDIT FOR SECOND-YEAR WAGES FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—

(1) IN GENERAL.—With respect to the employment of a long-term family assistance recipient—

(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed \$10,000 per year.

(2) QUALIFIED SECOND-YEAR WAGES.—For purposes of this subsection, the term “qualified second-year wages” means qualified wages—

(A) which are paid to a long-term family assistance recipient, and

(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such recipient determined under subsection (b)(2).

(3) SPECIAL RULES FOR AGRICULTURAL AND RAILWAY LABOR.—If such recipient is an employee to whom subparagraph (A) or (B) of subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

(A) such subparagraph (A) shall be applied by substituting “\$10,000” for “\$6,000”, and

(B) such subparagraph (B) shall be applied by substituting “\$833.33” for “\$500”.

(f) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT.—

(1) IN GENERAL.—For purposes of this subpart, remuneration paid by an employer to an employee during any taxable year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in a trade or business of the employer.

(2) SPECIAL RULE FOR CERTAIN DETERMINATION.—Any determination as to whether paragraph (1), or subparagraph (A) or (B) of subsection (h)(1), applies with respect to any employee for any taxable year shall be made without regard to subsections (a) and (b) of section 52.

(g) UNITED STATES EMPLOYMENT SERVICE TO NOTIFY EMPLOYERS OF AVAILABILITY OF CREDIT.—The United States Employment Service, in consultation with the Internal Revenue Service, shall take such steps as may be necessary or appropriate to keep employers apprised of the availability of the work opportunity credit determined under this subpart.

(h) SPECIAL RULES FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—For purposes of this subpart—

(1) UNEMPLOYMENT INSURANCE WAGES.—

(A) AGRICULTURAL LABOR.—If the services performed by any employee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any year constitute agricultural labor (within the meaning of section 3306(k)), the term “unemployment insurance wages” means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes “wages” within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be \$6,000.

(B) RAILWAY LABOR.—If more than one-half of remuneration paid by an employer to an employee during any year is remuneration for service described in section 3306(c)(9), the term “unemployment insurance wages” means, with respect to such employee for such year, an amount equal to so much of the remuneration paid to such employee during such year which would be subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act (45 USC Sec. 358(a)) if the maximum amount subject to such contributions were \$500 per month.

(2) WAGES.—In any case to which subparagraph (A) or (B) of paragraph (1) applies, the term “wages” means unemployment insurance wages (determined without regard to any dollar limitation).

(i) CERTAIN INDIVIDUALS INELIGIBLE.—

(1) RELATED INDIVIDUALS.—No wages shall be taken into account under subsection (a) with respect to an individual who—

(A) bears any of the relationships described in subparagraphs (A) through (G) of section 152(d)(2) to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than 50 percent in value of the outstanding stock of the corporation, or, if the taxpayer is an entity other than a corporation, to any individual who owns, directly or indirectly, more than 50 percent of the capital and profits interests in the entity (determined with the application of section 267(c)),

(B) if the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in subparagraphs (A) through (G) of section 152(d)(2) to a grantor, beneficiary, or fiduciary of the estate or trust, or

(C) is a dependent (described in section 152(d)(2)(H)) of the taxpayer, or, if the taxpayer is a corporation, of an individual described in subparagraph (A), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

(2) NONQUALIFYING REHIRES.—No wages shall be taken into account under subsection (a) with respect to any individual if, prior to the hiring date of such individual, such individual had been employed by the employer at any time.

(3) INDIVIDUALS NOT MEETING MINIMUM EMPLOYMENT PERIOD.—

(A) REDUCTION OF CREDIT FOR INDIVIDUALS PERFORMING FEWER THAN 400 HOURS OF SERVICE.—In the case of an individual who has performed at least 120 hours, but less than 400 hours, of service for the employer, subsection (a) shall be applied by substituting “25 percent” for “40 percent”.

(B) DENIAL OF CREDIT FOR INDIVIDUALS PERFORMING FEWER THAN 120 HOURS OF SERVICE.—No wages shall be taken into account under subsection (a) with respect to any individual unless such individual has performed at least 120 hours of service for the employer.

(j) ELECTION TO HAVE WORK OPPORTUNITY CREDIT NOT APPLY.—

(1) IN GENERAL.—A taxpayer may elect to have this section not apply for any taxable year.

(2) TIME FOR MAKING ELECTION.—An election under paragraph (1) for any taxable year may be made (or revoked) at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return for such taxable year (determined without regard to extensions)

(3) MANNER OF MAKING ELECTION.—An election under paragraph (1) (or revocation thereof) shall be made in such manner as the Secretary may by regulations prescribe.

(k) TREATMENT OF SUCCESSOR EMPLOYERS; TREATMENT OF EMPLOYEES PERFORMING SERVICES FOR OTHER PERSONS.—

(1) TREATMENT OF SUCCESSOR EMPLOYERS.—Under regulations prescribed by the Secretary, in the case of a successor employer referred to in section 3306(b)(1), the determination of the amount of the credit under this section with respect to wages paid by such successor employer shall be made in the same manner as if such wages were paid by the predecessor employer referred to in such section.

(2) TREATMENT OF EMPLOYEES PERFORMING SERVICES FOR OTHER PERSONS.—No credit shall be determined under this section with respect to remuneration paid by an employer to an employee for services performed by such employee for another person unless the amount reasonably expected to be received by the employer for such services from such other person exceeds the remuneration paid by the employer to such employee for such services.

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WORKFORCE INNOVATION AND OPPORTUNITY ACT

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**TITLE I—WORKFORCE DEVELOPMENT
ACTIVITIES**

Subtitle A—System Alignment

CHAPTER 1—STATE PROVISIONS

* * * * *

SEC. 103. COMBINED STATE PLAN.**(a) IN GENERAL.—**

(1) **AUTHORITY TO SUBMIT PLAN.**—A State may develop and submit to the appropriate Secretaries a combined State plan for the core programs and 1 or more of the programs and activities described in paragraph (2) in lieu of submitting 2 or more plans, for the programs and activities and the core programs.

(2) **PROGRAMS.**—The programs and activities referred to in paragraph (1) are as follows:

(A) Career and technical education programs authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

(B) Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

(C) Programs authorized under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)).

[(D) Work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o)).]

(E) Activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.).

(F) Activities authorized under chapter 41 of title 38, United States Code.

(G) Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law).

(H) Programs authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(I) Employment and training activities carried out by the Department of Housing and Urban Development.

(J) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

(K) Programs authorized under section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532).

(b) REQUIREMENTS.—

(1) **IN GENERAL.**—The portion of a combined plan covering the core programs shall be subject to the requirements of section 102 (including section 102(c)(3)). The portion of such plan covering a program or activity described in subsection (a)(2) shall be subject to the requirements, if any, applicable to a plan or application for assistance for that program or activity, under the Federal law authorizing the program or activity. At the election of the State, section 102(c)(3) may apply to that portion.

(2) **ADDITIONAL SUBMISSION NOT REQUIRED.**—A State that submits a combined plan that is approved under subsection (c) shall not be required to submit any other plan or application in order to receive Federal funds to carry out the core programs or the program or activities described in subsection (a)(2) that are covered by the combined plan.

(3) **COORDINATION.**—A combined plan shall include—

(A) a description of the methods used for joint planning and coordination of the core programs and the other programs and activities covered by the combined plan; and

(B) an assurance that the methods included an opportunity for the entities responsible for planning or administering the core programs and the other programs and activities to review and comment on all portions of the combined plan.

(c) APPROVAL BY THE APPROPRIATE SECRETARIES.—

(1) JURISDICTION.—The appropriate Secretary shall have the authority to approve the corresponding portion of a combined plan as described in subsection (d). On the approval of the appropriate Secretary, that portion of the combined plan, covering a program or activity, shall be implemented by the State pursuant to that portion of the combined plan, and the Federal law authorizing the program or activity.

(2) APPROVAL OF CORE PROGRAMS.—No portion of the plan relating to a core program shall be implemented until the appropriate Secretary approves the corresponding portions of the plan for all core programs.

(3) TIMING OF APPROVAL.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a portion of the combined State plan covering the core programs or a program or activity described in subsection (a)(2) shall be considered to be approved by the appropriate Secretary at the end of the 90-day period beginning on the day the plan is submitted.

(B) PLAN APPROVED BY 3 OR MORE APPROPRIATE SECRETARIES.—If an appropriate Secretary other than the Secretary of Labor or the Secretary of Education has authority to approve a portion of a combined plan, that portion of the combined plan shall be considered to be approved by the appropriate Secretary at the end of the 120-day period beginning on the day the plan is submitted.

(C) DISAPPROVAL.—The portion shall not be considered to be approved if the appropriate Secretary makes a written determination, during the 90-day period (or the 120-day period, for an appropriate Secretary covered by subparagraph (B)), that the portion is not consistent with the requirements of the Federal law authorizing or applicable to the program or activity involved, including the criteria for approval of a plan or application, if any, under such law, or the plan is not consistent with the requirements of this section.

(4) SPECIAL RULE.—In paragraph (3), the term “criteria for approval of a plan or application”, with respect to a State and a core program or a program under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), includes a requirement for agreement between the State and the appropriate Secretaries regarding State performance measures or State performance accountability measures, as the case may be, including levels of performance.

(d) APPROPRIATE SECRETARY.—In this section, the term “appropriate Secretary” means—

(1) with respect to the portion of a combined plan relating to any of the core programs (including a description, and an assurance concerning that program, specified in subsection

(b)(3)), the Secretary of Labor and the Secretary of Education; and

(2) with respect to the portion of a combined plan relating to a program or activity described in subsection (a)(2) (including a description, and an assurance concerning that program or activity, specified in subsection (b)(3)), the head of the Federal agency who exercises plan or application approval authority for the program or activity under the Federal law authorizing the program or activity, or, if there are no planning or application requirements for such program or activity, exercises administrative authority over the program or activity under that Federal law.

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Subtitle B—Workforce Investment Activities and Providers

CHAPTER 1—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS

SEC. 121. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) **IN GENERAL.**—Consistent with an approved State plan, the local board for a local area, with the agreement of the chief elected official for the local area, shall—

- (1) develop and enter into the memorandum of understanding described in subsection (c) with one-stop partners;
- (2) designate or certify one-stop operators under subsection (d); and
- (3) conduct oversight with respect to the one-stop delivery system in the local area.

(b) **ONE-STOP PARTNERS.**—

(1) **REQUIRED PARTNERS.**—

(A) **ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.**—Each entity that carries out a program or activities described in subparagraph (B) in a local area shall—

- (i) provide access through the one-stop delivery system to such program or activities carried out by the entity, including making the career services described in section 134(c)(2) that are applicable to the program or activities available at the one-stop centers (in addition to any other appropriate locations);
- (ii) use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);
- (iii) enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop system, that meets the requirements of subsection (c);
- (iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities; and

(v) provide representation on the State board to the extent provided under section 101.

(B) PROGRAMS AND ACTIVITIES.—The programs and activities referred to in subparagraph (A) consist of—

(i) programs authorized under this title;

(ii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(iii) adult education and literacy activities authorized under title II;

(iv) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) (other than section 112 or part C of title I of such Act (29 U.S.C. 732, 741);

(v) activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

(vi) career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);

(vii) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

(viii) activities authorized under chapter 41 of title 38, United States Code;

(ix) employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.);

(x) employment and training activities carried out by the Department of Housing and Urban Development;

(xi) programs authorized under State unemployment compensation laws (in accordance with applicable Federal law);

(xii) programs authorized under section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532); and

(xiii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).

(C) DETERMINATION BY THE GOVERNOR.—

(i) IN GENERAL.—An entity that carries out a program referred to in subparagraph (B)(xiii) shall be included in the one-stop partners for the local area, as a required partner, for purposes of this Act and the other core program provisions that are not part of this Act, unless the Governor provides the notification described in clause (ii).

(ii) NOTIFICATION.—The notification referred to in clause (i) is a notification that—

(I) is made in writing of a determination by the Governor not to include such entity in the one-stop partners described in clause (i); and

(II) is provided to the Secretary of Labor (referred to in this subtitle, and subtitles C through E, as the “Secretary”) and the Secretary of Health and Human Services.

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—With the approval of the local board and chief elected official, in addition to the entities described in paragraph (1), other entities that carry out workforce development programs described in subparagraph (B) may be one-stop partners for the local area and carry out the responsibilities described in paragraph (1)(A).

(B) PROGRAMS.—The programs referred to in subparagraph (A) may include—

(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b-19);

(ii) employment and training programs carried out by the Small Business Administration;

(iii) programs authorized under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4));

[(iv) work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o));]

(v) programs carried out under section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732);

(vi) programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and

(vii) other appropriate Federal, State, or local programs, including employment, education, and training programs provided by public libraries or in the private sector.

(c) MEMORANDUM OF UNDERSTANDING.—

(1) DEVELOPMENT.—The local board, with the agreement of the chief elected official, shall develop and enter into a memorandum of understanding (between the local board and the one-stop partners), consistent with paragraph (2), concerning the operation of the one-stop delivery system in the local area.

(2) CONTENTS.—Each memorandum of understanding shall contain—

(A) provisions describing—

(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated and delivered through such system;

(ii) how the costs of such services and the operating costs of such system will be funded, including—

(I) funding through cash and in-kind contributions (fairly evaluated), which contributions may include funding from philanthropic organizations or other private entities, or through other alternative financing options, to provide a stable and equitable funding stream for ongoing one-stop delivery system operations; and

(II) funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

(iv) methods to ensure the needs of workers and youth, and individuals with barriers to employment, including individuals with disabilities, are addressed in the provision of necessary and appropriate access to services, including access to technology and materials, made available through the one-stop delivery system; and

(v) the duration of the memorandum of understanding and the procedures for amending the memorandum during the duration of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 3-year period to ensure appropriate funding and delivery of services; and

(B) such other provisions, consistent with the requirements of this title, as the parties to the agreement determine to be appropriate.

(d) ONE-STOP OPERATORS.—

(1) LOCAL DESIGNATION AND CERTIFICATION.—Consistent with paragraphs (2) and (3), the local board, with the agreement of the chief elected official, is authorized to designate or certify one-stop operators and to terminate for cause the eligibility of such operators.

(2) ELIGIBILITY.—To be eligible to receive funds made available under this subtitle to operate a one-stop center referred to in subsection (e), an entity (which may be a consortium of entities)—

(A) shall be designated or certified as a one-stop operator through a competitive process; and

(B) shall be an entity (public, private, or nonprofit), or consortium of entities (including a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners described in subsection (b)(1)), of demonstrated effectiveness, located in the local area, which may include—

(i) an institution of higher education;

(ii) an employment service State agency established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), on behalf of the local office of the agency;

(iii) a community-based organization, nonprofit organization, or intermediary;

(iv) a private for-profit entity;

(v) a government agency; and

(vi) another interested organization or entity, which may include a local chamber of commerce or other business organization, or a labor organization.

(3) EXCEPTION.—Elementary schools and secondary schools shall not be eligible for designation or certification as one-stop operators, except that nontraditional public secondary schools and area career and technical education schools may be eligible for such designation or certification.

(4) ADDITIONAL REQUIREMENTS.—The State and local boards shall ensure that in carrying out activities under this title, one-stop operators—

(A) disclose any potential conflicts of interest arising from the relationships of the operators with particular training service providers or other service providers;

(B) do not establish practices that create disincentives to providing services to individuals with barriers to employment who may require longer-term services, such as intensive employment, training, and education services; and

(C) comply with Federal regulations, and procurement policies, relating to the calculation and use of profits.

(e) ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEM.—

(1) IN GENERAL.—There shall be established in each local area in a State that receives an allotment under section 132(b) a one-stop delivery system, which shall—

(A) provide the career services described in section 134(c)(2);

(B) provide access to training services as described in section 134(c)(3), including serving as the point of access to training services for participants in accordance with section 134(c)(3)(G);

(C) provide access to the employment and training activities carried out under section 134(d), if any;

(D) provide access to programs and activities carried out by one-stop partners described in subsection (b); and

(E) provide access to the data, information, and analysis described in section 15(a) of the Wagner-Peyser Act (29 U.S.C. 491-2(a)) and all job search, placement, recruitment, and other labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(2) ONE-STOP DELIVERY.—The one-stop delivery system—

(A) at a minimum, shall make each of the programs, services, and activities described in paragraph (1) accessible at not less than 1 physical center in each local area of the State; and

(B) may also make programs, services, and activities described in paragraph (1) available—

(i) through a network of affiliated sites that can provide 1 or more of the programs, services, and activities to individuals; and

(ii) through a network of eligible one-stop partners—

(I) in which each partner provides 1 or more of the programs, services, and activities to such individuals and is accessible at an affiliated site that consists of a physical location or an electronically or technologically linked access point; and

(II) that assures individuals that information on the availability of the career services will be available regardless of where the individuals initially enter the statewide workforce development system, including information made available through an access point described in subclause (I);

(C) may have specialized centers to address special needs, such as the needs of dislocated workers, youth, or key industry sectors or clusters; and

(D) as applicable and practicable, shall make programs, services, and activities accessible to individuals through electronic means in a manner that improves efficiency, coordination, and quality in the delivery of one-stop partner services.

(3) COLOCATION OF WAGNER-PEYSER SERVICES.—Consistent with section 3(d) of the Wagner-Peyser Act (29 U.S.C. 49b(d)), and in order to improve service delivery, avoid duplication of services, and enhance coordination of services, including location of staff to ensure access to services in underserved areas, the employment service offices in each State shall be colocated with one-stop centers established under this title.

(4) USE OF COMMON ONE-STOP DELIVERY SYSTEM IDENTIFIER.—In addition to using any State or locally developed identifier, each one-stop delivery system shall include in the identification of products, programs, activities, services, facilities, and related property and materials, a common one-stop delivery system identifier. The identifier shall be developed by the Secretary, in consultation with heads of other appropriate departments and agencies, and representatives of State boards and local boards and of other stakeholders in the one-stop delivery system, not later than the beginning of the second full program year after the date of enactment of this Act. Such common identifier may consist of a logo, phrase, or other identifier that informs users of the one-stop delivery system that such products, programs, activities, services, facilities, property, or materials are being provided through such system. Nothing in this paragraph shall be construed to prohibit one-stop partners, States, or local areas from having additional identifiers.

(f) APPLICATION TO CERTAIN VOCATIONAL REHABILITATION PROGRAMS.—

(1) LIMITATION.—Nothing in this section shall be construed to apply to part C of title I of the Rehabilitation Act of 1973 (29 U.S.C. 741).

(2) CLIENT ASSISTANCE.—Nothing in this Act shall be construed to require that any entity carrying out a client assistance program authorized under section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732)—

(A) be included as a mandatory one-stop partner under subsection (b)(1); or

(B) if the entity is included as an additional one-stop partner under subsection (b)(2)—

(i) violate the requirement of section 112(c)(1)(A) of that Act (29 U.S.C. 732(c)(1)(A)) that the entity be independent of any agency that provides treatment, services, or rehabilitation to individuals under that Act; or

(ii) carry out any activity not authorized under section 112 of that Act (including appropriate Federal regulations).

(g) CERTIFICATION AND CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—

(1) IN GENERAL.—In order to be eligible to receive infrastructure funding described in subsection (h), the State board, in consultation with chief elected officials and local boards, shall establish objective criteria and procedures for use by local boards in assessing at least once every 3 years the effectiveness, physical and programmatic accessibility in accordance with section 188, if applicable, and the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), and continuous improvement of one-stop centers and the one-stop delivery system, consistent with the requirements of section 101(d)(6).

(2) CRITERIA.—The criteria and procedures developed under this subsection shall include standards relating to service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers. Such criteria and procedures shall—

(A) be developed in a manner that is consistent with the guidelines, guidance, and policies provided by the Governor and by the State board, in consultation with the chief elected officials and local boards, for such partners' participation under subsections (h)(1) and (i); and

(B) include such factors relating to the effectiveness, accessibility, and improvement of the one-stop delivery system as the State board determines to be appropriate, including at a minimum how well the one-stop center—

(i) supports the achievement of the negotiated local levels of performance for the indicators of performance described in section 116(b)(2) for the local area;

(ii) integrates available services; and

(iii) meets the workforce development and employment needs of local employers and participants.

(3) LOCAL CRITERIA.—Consistent with the criteria developed under paragraph (1) by the State, a local board in the State may develop additional criteria (or higher levels of service coordination than required for the State-developed criteria) relating to service coordination achieved by the one-stop delivery system, for purposes of assessments described in paragraph (1), in order to respond to labor market, economic, and demographic, conditions and trends in the local area.

(4) EFFECT OF CERTIFICATION.—One-stop centers certified under this subsection shall be eligible to receive the infrastructure funding described in subsection (h).

(5) REVIEW AND UPDATE.—The criteria and procedures established under this subsection shall be reviewed and updated by the State board or the local board, as the case may be, as part of the biennial process for review and modification of State and local plans described in sections 102(c)(2) and 108(a).

(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

(1) IN GENERAL.—

(A) OPTIONS FOR INFRASTRUCTURE FUNDING.—

(i) LOCAL OPTIONS.—The local board, chief elected officials, and one-stop partners described in subsection (b)(1) in a local area may fund the costs of infrastructure of one-stop centers in the local area through—

(I) methods agreed on by the local board, chief elected officials, and one-stop partners (and described in the memorandum of understanding described in subsection (c)); or

(II) if no consensus agreement on methods is reached under subclause (I), the State infrastructure funding mechanism described in paragraph (2).

(ii) FAILURE TO REACH CONSENSUS AGREEMENT ON FUNDING METHODS.—Beginning July 1, 2016, if the local board, chief elected officials, and one-stop partners described in subsection (b)(1) in a local area fail to reach consensus agreement on methods of sufficiently funding the costs of infrastructure of one-stop centers for a program year, the State infrastructure funding mechanism described in paragraph (2) shall be applicable to such local area for that program year and for each subsequent program year for which those entities and individuals fail to reach such agreement.

(B) GUIDANCE FOR INFRASTRUCTURE FUNDING.—In addition to carrying out the requirements relating to the State infrastructure funding mechanism described in paragraph (2), the Governor, after consultation with chief elected officials, local boards, and the State board, and consistent with the guidance and policies provided by the State board under subparagraphs (B) and (C)(i) of section 101(d)(7), shall provide, for the use of local areas under subparagraph (A)(i)(I)—

(i) guidelines for State-administered one-stop partner programs, for determining such programs' contributions to a one-stop delivery system, based on such programs' proportionate use of such system consistent with chapter II of title 2, Code of Federal Regulations (or any corresponding similar regulation or ruling), including determining funding for the costs of infrastructure, which contributions shall be negotiated pursuant to the memorandum of understanding under subsection (c); and

(ii) guidance to assist local boards, chief elected officials, and one-stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure of one-stop centers in such areas.

(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—

(A) DEFINITION.—In this paragraph, the term “covered portion”, used with respect to funding for a fiscal year for a program described in subsection (b)(1), means a portion determined under subparagraph (C) of the Federal funds provided to a State (including local areas within the State) under the Federal law authorizing that program described in subsection (b)(1) for the fiscal year (taking into account the availability of funding for purposes related to infrastructure from philanthropic organizations, private entities, or other alternative financing options).

(B) PARTNER CONTRIBUTIONS.—Subject to subparagraph (D), for local areas in a State that are not covered by paragraph (1)(A)(i)(I), the covered portions of funding for a fiscal year shall be provided to the Governor from the programs described in subsection (b)(1), to assist in paying the costs of infrastructure of one-stop centers in those local areas of the State not adequately funded under the option described in paragraph (1)(A)(i)(I).

(C) DETERMINATION OF GOVERNOR.—

(i) IN GENERAL.—Subject to clause (ii) and subparagraph (D), the Governor, after consultation with chief elected officials, local boards, and the State board, shall determine the portion of funds to be provided under subparagraph (B) by each one-stop partner from each program described in subparagraph (B). In making such determination for the purpose of determining funding contributions, for funding pursuant to clause (i)(II) or (ii) of paragraph (1)(A) by each partner, the Governor shall calculate amounts for the proportionate use of the one-stop centers in the State, consistent with chapter II of title 2, Code of Federal Regulations (or any corresponding similar regulation or ruling), taking into account the costs of administration of the one-stop delivery system for purposes not related to one-stop centers, for each partner. The Governor shall exclude from such determination of funds the amounts for proportionate use of one-stop centers attributable to the programs of one-stop partners for those local areas of the State where the costs of infrastructure of one-stop centers are funded under the option described in paragraph (1)(A)(i)(I). The Governor shall also take into account the statutory requirements for each partner program and the partner program's ability to fulfill such requirements.

(ii) SPECIAL RULE.—In a State in which the State constitution or a State statute places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II, postsecondary career and technical education activities authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), or vocational rehabilitation services offered under a provision covered by section 3(13)(D), the determination described in clause (i) with respect to the programs authorized under that title, Act, or provision shall be made by the chief officer of the entity, or the official, with such authority in consultation with the Governor.

(D) LIMITATIONS.—

(i) PROVISION FROM ADMINISTRATIVE FUNDS.—

(I) IN GENERAL.—Subject to subclause (II), the funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the

program administered by such partner, and shall be subject to the program's limitations with respect to the portion of funds under such program that may be used for administration.

(II) EXCEPTIONS.—Nothing in this clause shall be construed to apply to the programs carried out under this title, or under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(ii) CAP ON REQUIRED CONTRIBUTIONS.—For local areas in a State that are not covered by paragraph (1)(A)(i)(I), the following rules shall apply:

(I) WIA FORMULA PROGRAMS AND EMPLOYMENT SERVICE.—The portion of funds required to be contributed under this paragraph from a program authorized under chapter 2 or 3, or the Wagner-Peyser Act (29 U.S.C. 49 et seq.) shall not exceed 3 percent of the amount of Federal funds provided to carry out that program in the State for a fiscal year.

(II) OTHER ONE-STOP PARTNERS.—The portion of funds required to be contributed under this paragraph from a program described in subsection (b)(1) other than the programs described in subclause (I) shall not exceed 1.5 percent of the amount of Federal funds provided to carry out that program in the State for a fiscal year.

(III) VOCATIONAL REHABILITATION.—Notwithstanding subclauses (I) and (II), an entity administering a program described in subsection (b)(1)(B)(iv) shall not be required to provide from that program, under this paragraph, a portion that exceeds—

(aa) 0.75 percent of the amount of Federal funds provided to carry out such program in the State for the second full program year that begins after the date of enactment of this Act;

(bb) 1.0 percent of the amount provided to carry out such program in the State for the third full program year that begins after such date;

(cc) 1.25 percent of the amount provided to carry out such program in the State for the fourth full program year that begins after such date; and

(dd) 1.5 percent of the amount provided to carry out such program in the State for the fifth and each succeeding full program year that begins after such date.

(iii) FEDERAL DIRECT SPENDING PROGRAMS.—For local areas in a State that are not covered by paragraph (1)(A)(i)(I), an entity administering a program funded with direct spending as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, as in effect on February 15,

2014 (2 U.S.C. 900(c)(8)) shall not be required to provide, for purposes of this paragraph, an amount in excess of the amount determined under subparagraph (C)(i) to be equivalent to the cost of the proportionate use of the one-stop centers for the one-stop partner for such program in the State.

(iv) NATIVE AMERICAN PROGRAMS.—One-stop partners for Native American programs established under section 166 shall not be subject to the provisions of this subsection (other than this clause) or subsection (i). For purposes of subsection (c)(2)(A)(ii)(II), the method for determining the appropriate portion of funds to be provided by such partners to pay for the costs of infrastructure of a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

(E) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a process, described under section 102(b)(2)(D)(i)(IV), for a one-stop partner administering a program described in subsection (b)(1) to appeal a determination regarding the portion of funds to be provided under this paragraph. Such a determination may be appealed under the process on the basis that such determination is inconsistent with the requirements of this paragraph. Such process shall ensure prompt resolution of the appeal in order to ensure the funds are distributed in a timely manner, consistent with the requirements of section 182(e).

(3) ALLOCATION BY GOVERNOR.—

(A) IN GENERAL.—From the funds provided under paragraph (1), the Governor shall allocate the funds to local areas described in subparagraph (B) in accordance with the formula established under subparagraph (B) for the purposes of assisting in paying the costs of infrastructure of one-stop centers.

(B) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under paragraph (1) to local areas not funding costs of infrastructure under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

(4) COSTS OF INFRASTRUCTURE.—In this subsection, the term “costs of infrastructure”, used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including assessment-related products and assistive technology for individuals with disabilities), and technology to

facilitate access to the one-stop center, including the center's planning and outreach activities.

(i) OTHER FUNDS.—

(1) IN GENERAL.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (3), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of career services described in section 134(c)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

(2) SHARED SERVICES.—The costs described under paragraph (1) may include costs of services that are authorized for and may be commonly provided through the one-stop partner programs to any individual, such as initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services to meet such needs, referrals to other one-stop partners, and other similar services.

(3) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by the one-stop partner for each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination, for purposes of the memorandum of understanding, of an appropriate allocation of the funds and noncash resources in local areas, consistent with the requirements of section 101(d)(6)(C).

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AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

COMMODITY DISTRIBUTION PROGRAM

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary may, during fiscal years 2008 through **[2018]** 2023, purchase and distribute sufficient agricultural commodities with funds appropriated from the general fund of the Treasury to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to institutions (including hospitals and facilities caring for needy infants and children), supplemental feeding programs serving women, infants, and children or elderly persons, or both, wherever located, disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands, and Indians, whenever a tribal or-

ganization requests distribution of federally donated foods pursuant to section 4(b) of the Food and Nutrition Act of 2008 (section 2013(b) of this title). In providing for commodity distribution to Indians, the Secretary shall improve the variety and quantity of commodities supplied to Indians in order to provide them an opportunity to obtain a more nutritious diet.

(b) The Secretary may furnish commodities to summer camps for children in which the number of adults participating in camp activities as compared with the number of children 18 years of age and under so participating is not unreasonable in light of the nature of such camp and the characteristics of the children in attendance.

(c) Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), or the Emergency Food Assistance Act of 1983, whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of \$100 or more, be fined not more than \$10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than \$100, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 5. (a) GRANTS PER ASSIGNED CASELOAD SLOT.—

(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the “commodity supplemental food program”), for each of fiscal years 2008 through **[2018]** 2023, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

(2) AMOUNT OF GRANTS.—

(A) FISCAL YEAR 2003.—For fiscal year 2003, the amount of each grant per assigned caseload slot shall be equal to the amount of the grant per assigned caseload slot for administrative costs in 2001, adjusted by the percentage change between—

(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30, 2001; and

(ii) the value of that index for the 12-month period ending June 30, 2002.

(B) SUBSEQUENT FISCAL YEARS.—For each of fiscal years 2004 through ~~2018~~ 2023, the amount of each grant per assigned caseload slot shall be equal to the amount of the grant per assigned caseload slot for the preceding fiscal year, adjusted by the percentage change between—

(i) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

(ii) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.

(b) During the first three months of any commodity supplemental food program, or until such program reaches its projected caseload level, whichever comes first, the Secretary shall pay those administrative costs necessary to commence the program successfully: *Provided*, That in no event shall administrative costs paid by the Secretary for any fiscal year exceed the limitation established in subsection (a) of this section.

(c) Administrative costs for the purposes of the commodity supplemental food program shall include, but not be limited to, expenses for information and referral, operation, monitoring, nutrition education, start-up costs, and general administration, including staff, warehouse and transportation personnel, insurance, and administration of the State or local office.

(d)(1) During each fiscal year the commodity supplemental food program is in operation, the types and varieties of commodities and their proportional amounts shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or proportional amounts from those that were available or were planned at the beginning of the fiscal year (or as were available during the fiscal year ending June 30, 1976, whichever is greater) the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of fiscal years 2008 through ~~2018~~ 2023 to the Secretary of Agriculture. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.

(e) The Secretary of Agriculture is authorized to issue such regulations as may be necessary to carry out the commodity supplemental food program.

(f) The Secretary shall, in any fiscal year, approve applications of additional sites for the program, including sites that serve only elderly persons, in areas in which the program currently does not operate to the full extent that this can be done within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (g)) in areas in which the program is in effect.

(g) ELIGIBILITY.—Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income persons aged 60 and older.

(h) Each State agency administering a commodity supplemental food program serving women, infants, and children shall—

(1) ensure that written information concerning the supplemental nutrition assistance program, the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and the child support enforcement program under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) is provided on at least one occasion to each adult who applies for or participates in the commodity supplemental food program;

(2) provide each local agency with materials showing the maximum income limits, according to family size, applicable to pregnant women, infants, and children up to age 6 under the medical assistance program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (hereinafter referred to in this section as the “medicaid program”) which materials may be identical to those provided under section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)); and

(3) ensure that local agencies provide to pregnant, breast feeding and post partum women, and adults applying on behalf of infants or children, who apply to the commodity supplemental food program, or who reapply to such program, written information about the medicaid program and referral to the program or to agencies authorized to determine presumptive eligibility for the medicaid program, if the individuals are not participating in the medicaid program.

(i) Each State agency administering a commodity supplemental food program serving elderly persons shall ensure that written information is provided on at least one occasion to each elderly participant in or applicant for the commodity supplemental food program for the elderly concerning—

(1) supplemental nutrition assistance benefits provided under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(2) the supplemental security income benefits provided under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.); and

(3) medical assistance provided under title XIX of such Act (42 U.S.C. 1396 et seq.) (including medical assistance provided to a qualified medicare beneficiary (as defined in section 1905(p) of such Act (42 U.S.C. 1396d(5)))).

(j)(1) If the Secretary must pay a significantly higher than expected price for one or more types of commodities purchased under the commodity supplemental food program, the Secretary shall promptly determine whether the price is likely to cause the number of persons that can be served in the program in a fiscal year to decline.

(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State

agency notify all local agencies operating the program in the State of the decline.

(k)(1) The Secretary or a designee of the Secretary shall have the authority to—

- (A) determine the amount of, settle, and adjust any claim arising under the commodity supplemental food program; and
- (B) waive such a claim if the Secretary determines that to do so will serve the purposes of the program.

(2) Nothing contained in this subsection shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.

(l) USE OF APPROVED FOOD SAFETY TECHNOLOGY.—

(1) IN GENERAL.—In acquiring commodities for distribution through a program specified in paragraph (2), the Secretary shall not prohibit the use of any technology to improve food safety that—

- (A) has been approved by the Secretary; or
- (B) has been approved or is otherwise allowed by the Secretary of Health and Human Services.

(2) PROGRAMS.—A program referred to in paragraph (1) is a program authorized under—

- (A) this Act;
- (B) the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);
- (C) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);
- (D) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); or
- (E) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(m) PHASE-OUT.—Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the date of enactment of this subsection shall continue to receive that assistance until the date on which the individual is no longer eligible for assistance under the eligibility requirements for the program in effect on the day before the date of enactment of this subsection.

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AGRICULTURE AND FOOD ACT OF 1981

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TITLE XI—MISCELLANEOUS

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DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS

SEC. 1114. (a)(1) Notwithstanding any other provision of law, whenever Government stocks of commodities are acquired under the price support programs and are not likely to be sold by the Commodity Credit Corporation or otherwise used in programs of

commodity sale or distribution, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), to child nutrition programs providing food service, and to food banks participating in the special nutrition projects established under section 211 of the Agricultural Act of 1980. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act of 1965. The Commodity Credit Corporation is authorized to use available funds to operate the program under this subsection and to further process products to facilitate bonus commodity use. Commodities made available under this section shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.

(2)(A) For each of fiscal years 2008 through ~~2018~~ 2023, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies. The expense of reprocessing shall be paid by such eligible recipient agencies.

(B) To maintain eligibility to enter into, and to continue, any agreement with the Secretary of Agriculture under subparagraph (A), a private company shall annually settle all accounts with the Secretary and any appropriate State agency regarding commodities process under such agreements.

(C) Whenever commodities are made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), the Secretary shall encourage access to processed end products containing the commodities when in the Secretary's judgment it is cost effective. The requirements of this subparagraph shall be met in the most efficient and effective way possible. The Secretary may, among other alternatives, use direct purchase, State option contracts authorized under section 3A of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note), State processing programs, and (beginning in fiscal year 1994) agreements with private companies operated as a part of the national commodity processing program.

(D) In each of fiscal years 1992, 1993, and 1994, the Secretary shall conduct a pilot project in not more than three States under which any commodity made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) that the Secretary determines to be appropriate for reprocessing is made available to the agencies as reprocessed end products. The reprocessing shall be performed pursuant to agreements with private companies, at the expense of the agencies, and operated as part of the national commodity processing program established under subparagraph (A). In determining the appropriateness of the commodities to be reprocessed under the pilot project, the Secretary shall consider the common needs of the agencies and the availability of processors.

(b) [Amends other laws—Omitted]

(c) [Amends other laws—Omitted]

(d) Section 4(b) of the Food and Nutrition Act of 2008 shall not apply with respect to distribution of surplus commodities under section 211 of the Agricultural Act of 1980.

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FEDERAL CROP INSURANCE REFORM AND DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994

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TITLE II—DEPARTMENT OF AGRICULTURE REORGANIZATION

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Subtitle A—General Reorganization Authorities

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SEC. 221. AGRICULTURAL YOUTH ORGANIZATION COORDINATOR.

(a) *AUTHORIZATION.*—The Secretary shall establish in the Department the position of Agricultural Youth Organization Coordinator.

(b) *DUTIES.*—The Agricultural Youth Organization Coordinator shall—

(1) *promote the role of youth-serving organizations and school-based agricultural education in motivating and preparing young people to pursue careers in the agriculture, food, and natural resources systems;*

(2) *work to help build awareness of the reach and importance of agriculture, across a diversity of fields and disciplines;*

(3) *identify short-term and long-term interests of the Department and provide opportunities, resources, input, and coordination with programs and agencies of the Department to youth-serving organizations and school-based agricultural education, including the development of internship opportunities;*

(4) *share, internally and externally, the extent to which active steps are being taken to encourage collaboration with, and support of, youth-serving organizations and school-based agricultural education;*

(5) *provide information to young farmers concerning the availability of, and eligibility requirements for, participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;*

(6) *serve as a resource for assisting young farmers in applying for participation in agricultural programs; and*

(7) *advocate on behalf of young farmers in interactions with employees of the Department.*

(c) *CONTRACTS AND COOPERATIVE AGREEMENTS.*—For purposes of carrying out the duties under subsection (b), the Agricultural Youth Organization Coordinator shall consult with the cooperative extension and the land-grant university systems, and may enter into con-

tracts or cooperative agreements with the research centers of the Agricultural Research Service, cooperative extension and the land-grant university systems, non-land-grant colleges of agriculture, or nonprofit organizations for—

- (1) the conduct of regional research on the profitability of small farms;*
- (2) the development of educational materials;*
- (3) the conduct of workshops, courses, and certified vocational training;*
- (4) the conduct of mentoring activities; or*
- (5) the provision of internship opportunities.*

SEC. 222. FOOD LOSS AND WASTE REDUCTION LIAISON.

(a) ESTABLISHMENT.—The Secretary shall establish within the Office of the Secretary a Food Loss and Waste Reduction Liaison to coordinate Federal programs to measure and reduce the incidence of food loss and waste in accordance with this section.

(b) DUTIES.—The Food Loss and Waste Reduction Liaison shall—

- (1) coordinate food loss and waste reduction efforts with other Federal agencies, including the Environmental Protection Agency and the Food and Drug Administration;*
- (2) support and promote Federal programs to measure and reduce the incidence of food loss and waste and increase food recovery;*
- (3) provide information to, and serve as a resource for, entities engaged in food loss and waste reduction and food recovery concerning the availability of, and eligibility requirements for, participation in Federal programs;*
- (4) raise awareness of the liability protections afforded under the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791) to persons engaged in food loss and waste reduction and food recovery; and*
- (5) make recommendations with respect to expanding food recovery efforts and reducing the incidence of food loss and waste.*

(c) COOPERATIVE AGREEMENTS.—For purposes of carrying out the duties under subsection (b), the Food Loss and Waste Reduction Liaison may enter into contracts or cooperative agreements with the research centers of the Research, Education, and Economics mission area, institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), or nonprofit organizations for—

- (1) the development of educational materials;*
- (2) the conduct of workshops and courses; or*
- (3) the conduct of research on best practices with respect to food loss and waste reduction and food recovery.*

Subtitle B—Farm Production and Conservation

* * * * *

SEC. 226A. OFFICE OF RISK MANAGEMENT.

(a) ESTABLISHMENT.—Subject to subsection (e), the Secretary shall establish and maintain in the Department an independent Office of Risk Management.

(b) **FUNCTIONS OF THE OFFICE OF RISK MANAGEMENT.**—The Office of Risk Management shall have jurisdiction over the following functions:

(1) Supervision of the Federal Crop Insurance Corporation.

(2) Administration and oversight of all aspects, including delivery through local offices of the Department, of all programs authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(3) Any pilot or other programs involving revenue insurance, risk management savings accounts, or the use of the futures market to manage risk and support farm income that may be established under the Federal Crop Insurance Act or other law.

(4) Such other functions as the Secretary considers appropriate.

(c) **ADMINISTRATOR.**—

(1) **APPOINTMENT.**—The Office of Risk Management shall be headed by an Administrator who shall be appointed by the Secretary.

(2) **MANAGER.**—The Administrator of the Office of Risk Management shall also serve as Manager of the Federal Crop Insurance Corporation.

(d) **RESOURCES.**—

(1) **FUNCTIONAL COORDINATION.**—Certain functions of the Office of Risk Management, such as human resources, public affairs, and legislative affairs, may be provided by a consolidation of such functions under the [Under Secretary of Agriculture for Farm and Foreign Agricultural Services] *Under Secretary of Agriculture for Farm Production and Conservation*.

(2) **MINIMUM PROVISIONS.**—Notwithstanding paragraph (1) or any other provision of law or order of the Secretary, the Secretary shall provide the Office of Risk Management with human and capital resources sufficient for the Office to carry out its functions in a timely and efficient manner.

SEC. 226B. OFFICE OF [ADVOCACY AND OUTREACH] PARTNERSHIPS AND PUBLIC ENGAGEMENT.

(a) **DEFINITIONS.**—In this section:

(1) **BEGINNING FARMER OR RANCHER.**—The term “beginning farmer or rancher” has the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

(2) **OFFICE.**—The term “Office” means the Office of [Advocacy and Outreach] *Partnerships and Public Engagement* established under this section.

(3) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).

(b) **ESTABLISHMENT AND PURPOSE.**—

(1) **IN GENERAL.**—The Secretary shall establish within the executive operations of the Department an office to be known as the “Office of [Advocacy and Outreach] *Partnerships and Public Engagement*”—

(A) to improve access to programs of the Department;

[and]

(B) to improve the viability and profitability of—

- (i) small farms and ranches;
 - (ii) beginning farmers or ranchers; **[and]**
 - (iii) socially disadvantaged farmers or ranchers**[.];**
 - and
 - (iv) *limited resource producers;*
 - (v) *veteran farmers and ranchers; and*
 - (vi) *Tribal farmers and ranchers; and*
- (C) *to promote youth outreach.*

(2) DIRECTOR.—The Office shall be headed by a Director, to be appointed by the Secretary from among the competitive service.

(c) DUTIES.—The duties of the Office shall be to ensure small farms and ranches, beginning farmers or ranchers, *veteran farmers and ranchers, Tribal farmers and ranchers*, and socially disadvantaged farmers or ranchers access to, and equitable participation in, programs and services of the Department by—

- (1) establishing and monitoring the goals and objectives of the Department to increase participation in programs of the Department by small, beginning, **[or socially disadvantaged]** *socially disadvantaged, veteran, or Tribal* farmers or ranchers;
- (2) assessing the effectiveness of Department outreach programs;
- (3) developing and implementing a plan to coordinate outreach activities and services provided by the Department;
- (4) providing input to the agencies and offices on programmatic and policy decisions;
- (5) measuring outcomes of the programs and activities of the Department on small farms and ranches, beginning farmers or ranchers, *veteran farmers or ranchers, Tribal farmers or ranchers*, and socially disadvantaged farmers or ranchers programs;
- (6) recommending new initiatives and programs to the Secretary; and
- (7) carrying out any other related duties that the Secretary determines to be appropriate.

(d) SOCIALLY DISADVANTAGED FARMERS GROUP.—

(1) ESTABLISHMENT.—The Secretary shall establish within the Office the Socially Disadvantaged Farmers Group.

(2) OUTREACH AND ASSISTANCE.—The Socially Disadvantaged Farmers Group—

(A) shall carry out section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(B) in the case of activities described in section 2501(a) of that Act, may conduct such activities through other agencies and offices of the Department.

(3) SOCIALLY DISADVANTAGED FARMERS AND FARMWORKERS.—The Socially Disadvantaged Farmers Group shall oversee the operations of—

(A) the Advisory Committee on Minority Farmers established under section 14009 of the Food, Conservation, and Energy Act of 2008; and

(B) the position of Farmworker Coordinator established under subsection (f).

(4) OTHER DUTIES.—

(A) IN GENERAL.—The Socially Disadvantaged Farmers Group may carry out other duties to improve access to,

and participation in, programs of the Department by socially disadvantaged farmers or ranchers, as determined by the Secretary.

(B) OFFICE OF OUTREACH AND DIVERSITY.—The Office of [Advocacy and Outreach] *Partnerships and Public Engagement* shall carry out the functions and duties of the Office of Outreach and Diversity carried out by the Assistant Secretary for Civil Rights as such functions and duties existed immediately before the date of the enactment of this section.

(e) SMALL FARMS AND BEGINNING FARMERS AND RANCHERS GROUP.—

(1) ESTABLISHMENT.—The Secretary shall establish within the Office the Small Farms and Beginning Farmers and Ranchers Group.

(2) DUTIES.—

(A) OVERSEE OFFICES.—The Small Farms and Beginning Farmers and Ranchers Group shall oversee the operations of the Office of Small Farms Coordination established by Departmental Regulation 9700-1 (August 3, 2006).

(B) BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.—The Small Farms and Beginning Farmers and Ranchers Group shall consult with the National Institute for Food and Agriculture on the administration of the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).

(C) ADVISORY COMMITTEE FOR BEGINNING FARMERS AND RANCHERS.—The Small Farms and Beginning Farmers and Ranchers Group shall coordinate the activities of the Group with the Advisory Committee for Beginning Farmers and Ranchers established under section 5(b) of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1621 note; Public Law 102–554).

(D) OTHER DUTIES.—The Small Farms and Beginning Farmers and Ranchers Group may carry out other duties to improve access to, and participation in, programs of the Department by small farms and ranches and beginning farmers or ranchers, as determined by the Secretary.

(f) FARMWORKER COORDINATOR.—

(1) ESTABLISHMENT.—The Secretary shall establish within the Office the position of Farmworker Coordinator (referred to in this subsection as the “Coordinator”).

(2) DUTIES.—The Secretary shall delegate to the Coordinator responsibility for the following:

(A) Assisting in administering the program established by section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a).

(B) Serving as a liaison to community-based nonprofit organizations that represent and have demonstrated experience serving low-income migrant and seasonal farmworkers.

(C) Coordinating with the Department, other Federal agencies, and State and local governments to ensure that

farmworker needs are assessed and met during declared disasters and other emergencies.

(D) Consulting within the Office and with other entities to better integrate farmworker perspectives, concerns, and interests into the ongoing programs of the Department.

(E) Consulting with appropriate institutions on research, program improvements, or agricultural education opportunities that assist low-income and migrant seasonal farmworkers.

(F) Assisting farmworkers in becoming agricultural producers or landowners.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

(A) such sums as are necessary for each of fiscal years 2009 through 2013; and

(B) \$2,000,000 for each of fiscal years 2014 through [2018] 2023.

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Subtitle D—Food, Nutrition, and Consumer Services

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SEC. 242. MULTIAGENCY TASK FORCE.

(a) IN GENERAL.—The Secretary shall establish, in the office of the Under Secretary for Food, Nutrition, and Consumer Services, a multiagency task force for the purpose of providing coordination and direction for commodity programs.

(b) COMPOSITION.—The Task Force shall be composed of at least 4 members, including—

(1) a representative from the Food Distribution Division of the Food and Nutrition Service, who shall—

(A) be appointed by the Under Secretary for Food, Nutrition, and Consumer Services; and

(B) serve as Chairperson of the Task Force;

(2) at least 1 representative from the Agricultural Marketing Service, who shall be appointed by the Under Secretary for Marketing and Regulatory Programs;

(3) at least 1 representative from the Farm Services Agency, who shall be appointed by the [Under Secretary for Farm and Foreign Agricultural Services] *Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs*; and

(4) at least 1 representative from the Food Safety and Inspection Service, who shall be appointed by the Under Secretary for Food Safety.

(c) DUTIES.—

(1) IN GENERAL.—The Task Force shall be responsible for evaluation and monitoring of the commodity programs to ensure that the commodity programs meet the mission of the Department—

(A) to support the United States farm sector; and

(B) to contribute to the health and well-being of individuals in the United States through the distribution of domestic agricultural products through commodity programs.

(2) SPECIFIC DUTIES.—In carrying out paragraph (1), the Task Force shall—

(A) review and make recommendations regarding the specifications used for the procurement of food commodities;

(B) review and make recommendations regarding the efficient and effective distribution of food commodities; and

(C) review and make recommendations regarding the degree to which the quantity, quality, and specifications of procured food commodities align the needs of producers and the preferences of recipient agencies.

(d) REPORTS.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Secretary shall submit to Congress a report that describes, for the period covered by the report—

(1) the findings and recommendations of the Task Force; and

(2) policies implemented for the improvement of commodity procurement programs.

SEC. 243. HEALTHY FOOD FINANCING INITIATIVE.

(a) PURPOSE.—The purpose of this section is to enhance the authorities of the Secretary to support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

(b) DEFINITIONS.—In this section:

(1) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term “community development financial institution” has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

(2) INITIATIVE.—The term “Initiative” means the Healthy Food Financing Initiative established under subsection (c)(1).

(3) NATIONAL FUND MANAGER.—The term “national fund manager” means a community development financial institution that is—

(A) in existence on the date of enactment of this section; and

(B) certified by the Community Development Financial Institution Fund of the Department of Treasury to manage the Initiative for purposes of—

(i) raising private capital;

(ii) providing financial and technical assistance to partnerships; and

(iii) funding eligible projects to attract fresh, healthy food retailers to underserved areas, in accordance with this section.

(4) PARTNERSHIP.—The term “partnership” means a regional, State, or local public-private partnership that—

(A) is organized to improve access to fresh, healthy foods;

- (B) provides financial and technical assistance to eligible projects; and
- (C) meets such other criteria as the Secretary may establish.
- (5) PERISHABLE FOOD.—The term “perishable food” means a staple food that is fresh, refrigerated, or frozen.
- (6) QUALITY JOB.—The term “quality job” means a job that provides wages and other benefits comparable to, or better than, similar positions in existing businesses of similar size in similar local economies.
- (7) STAPLE FOOD.—
- (A) IN GENERAL.—The term “staple food” means food that is a basic dietary item.
- (B) INCLUSIONS.—The term “staple food” includes—
- (i) bread or cereal;
 - (ii) flour;
 - (iii) fruits;
 - (iv) vegetables;
 - (v) meat; and
 - (vi) dairy products.
- (c) INITIATIVE.—
- (1) ESTABLISHMENT.—The Secretary shall establish an initiative to achieve the purpose described in subsection (a) in accordance with this subsection.
- (2) IMPLEMENTATION.—
- (A) IN GENERAL.—
- (i) IN GENERAL.—In carrying out the Initiative, the Secretary shall provide funding to entities with eligible projects, as described in subparagraph (B), subject to the priorities described in subparagraph (C).
 - (ii) USE OF FUNDS.—Funds provided to an entity pursuant to clause (i) shall be used—
 - (I) to create revolving loan pools of capital or other products to provide loans to finance eligible projects or partnerships;
 - (II) to provide grants for eligible projects or partnerships;
 - (III) to provide technical assistance to funded projects and entities seeking Initiative funding; and
 - (IV) to cover administrative expenses of the national fund manager in an amount not to exceed 10 percent of the Federal funds provided.
- (B) ELIGIBLE PROJECTS.—Subject to the approval of the Secretary, the national fund manager shall establish eligibility criteria for projects under the Initiative, which shall include the existence or planned execution of agreements—
- (i) to expand or preserve the availability of staple foods in underserved areas with moderate- and low-income populations by maintaining or increasing the number of retail outlets that offer an assortment of perishable food and staple food items, as determined by the Secretary, in those areas; and

(ii) to accept benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

(C) PRIORITIES.—In carrying out the Initiative, priority shall be given to projects that—

(i) are located in severely distressed low-income communities, as defined by the Community Development Financial Institutions Fund of the Department of Treasury; and

(ii) include 1 or more of the following characteristics:

(I) The project will create or retain quality jobs for low-income residents in the community.

(II) The project supports regional food systems and locally grown foods, to the maximum extent practicable.

(III) In areas served by public transit, the project is accessible by public transit.

(IV) The project involves women- or minority-owned businesses.

(V) The project receives funding from other sources, including other Federal agencies.

(VI) The project otherwise advances the purpose of this section, as determined by the Secretary.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$125,000,000, to remain available [until expended] *until October 1, 2023*.

* * * * *

Subtitle F—Research, Education, and Economics

SEC. 251. UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS.

(a) AUTHORIZATION.—The Secretary is authorized to establish in the Department the position of Under Secretary of Agriculture for Research, Education, and Economics (referred to in this section as the “Under Secretary”).

(b) CONFIRMATION REQUIRED.—The Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate, from among distinguished scientists with specialized training or significant experience in agricultural research, education, and economics.

(c) CHIEF SCIENTIST.—The Under Secretary shall—

(1) hold the title of Chief Scientist of the Department; and

(2) be responsible for the coordination of the research, education, and extension activities of the Department.

(d) FUNCTIONS OF UNDER SECRETARY.—

(1) PRINCIPAL FUNCTION.—The Secretary shall delegate to the Under Secretary those functions and duties under the jurisdiction of the Department that relate to research, education, and economics.

(2) SPECIFIC FUNCTIONS AND DUTIES.—The Under Secretary shall—

- (A) identify, address, and prioritize current and emerging agricultural research, education, and extension needs (including funding);
- [(B) ensure that agricultural research, education, and extension programs are effectively coordinated and integrated—
- [(i) across disciplines, agencies, and institutions; and
- [(ii) among applicable participants, grantees, and beneficiaries;]
- (B) *ensure that agricultural research, education, extension, economics, and statistical programs—*
- (i) are effectively coordinated and integrated—*
- (I) across disciplines, agencies, and institutions; and*
- (II) among applicable participants, grantees, and beneficiaries; and*
- (ii) address the priority areas of the Agriculture and Food Research Initiative specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b)(2));*
- (C) promote the collaborative use of all agricultural research, education, and extension resources from the local, State, tribal, regional, national, and international levels to address priority needs; and
- (D) foster communication among agricultural research, education, and extension beneficiaries, including the public, to ensure the delivery of agricultural research, education, and extension knowledge.
- (3) ADDITIONAL FUNCTIONS.—The Under Secretary shall perform such other functions and duties as may be required by law or prescribed by the Secretary.
- (e) RESEARCH, EDUCATION, AND EXTENSION OFFICE.—
- (1) ESTABLISHMENT.—The Under Secretary shall organize within the office of the Under Secretary 6 Divisions, to be known collectively as the “Research, Education, and Extension Office”, which shall coordinate the research programs and activities of the Department.
- (2) DIVISION DESIGNATIONS.—The Divisions within the Research, Education, and Extension Office shall be as follows:
- (A) Renewable energy, natural resources, and environment.
- (B) Food safety, nutrition, and health.
- (C) Plant health and production and plant products.
- (D) Animal health and production and animal products.
- (E) Agricultural systems and technology.
- (F) Agricultural economics and rural communities.
- (3) DIVISION CHIEFS.—
- (A) SELECTION.—The Under Secretary shall select a Division Chief for each Division using available personnel authority under title 5, United States Code, including—
- (i) by term, temporary, or other appointment, without regard to—

(I) the provisions of title 5, United States Code, governing appointments in the competitive service;

(II) the provisions of subchapter I of chapter 35 of title 5, United States Code, relating to retention preference; and

(III) the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates;

(ii) by detail, notwithstanding any Act making appropriations for the Department of Agriculture, whether enacted before, on, or after the date of enactment of this paragraph, requiring reimbursement for those details unless the appropriation Act specifically refers to this subsection and specifically includes these details;

(iii) by reassignment or transfer from any other civil service position; and

(iv) by an assignment under subchapter VI of chapter 33 of title 5, United States Code.

(B) SELECTION GUIDELINES.—To the maximum extent practicable, the Under Secretary shall select Division Chiefs under subparagraph (A) in a manner that—

(i) promotes leadership and professional development;

(ii) enables personnel to interact with other agencies of the Department; and

(iii) maximizes the ability of the Under Secretary to allow for rotations of Department personnel into the position of Division Chief.

(C) TERM OF SERVICE.—Notwithstanding title 5, United States Code, the maximum length of service for an individual selected as a Division Chief under subparagraph (A) shall not exceed 4 years.

(D) QUALIFICATIONS.—To be eligible for selection as a Division Chief, an individual shall have—

(i) conducted exemplary research, education, or extension in the field of agriculture or forestry; and

(ii) earned an advanced degree at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)).

(E) DUTIES OF DIVISION CHIEFS.—Except as otherwise provided in this Act, each Division Chief shall—

(i) assist the Under Secretary in identifying and addressing emerging agricultural research, education, and extension needs;

(ii) assist the Under Secretary in identifying and prioritizing Department-wide agricultural research, education, and extension needs, including funding;

(iii) assess the strategic workforce needs of the research, education, and extension functions of the Department, and develop strategic workforce plans to ensure that existing and future workforce needs are met;

(iv) communicate with research, education, and extension beneficiaries, including the public, and representatives of the research, education, and extension system, including the National Agricultural Research, Extension, Education, and Economics Advisory Board, to promote the benefits of agricultural research, education, and extension;

(v) assist the Under Secretary in preparing and implementing the roadmap for agricultural research, education, and extension, as described in section 7504 of the Food, Conservation, and Energy Act of 2008; and

(vi) perform such other duties as the Under Secretary may determine.

(4) GENERAL ADMINISTRATION.—

(A) FUNDING.—Notwithstanding any Act making appropriations for the Department of Agriculture, whether enacted before, on, or after the date of enactment of this paragraph unless the appropriation Act specifically refers to this subsection and specifically includes the administration of funds under this section, the Secretary may transfer funds made available to an agency in the research, education, and economics mission area to fund the costs of Division personnel.

(B) LIMITATION.—To the maximum extent practicable—

(i) the Under Secretary shall minimize the number of full-time equivalent positions in the Divisions; and

(ii) at no time shall the aggregate number of staff for all Divisions exceed 30 full-time equivalent positions.

(C) ROTATION OF PERSONNEL.—To the maximum extent practicable, and using the authority described in paragraph (3)(A), the Under Secretary shall rotate personnel among the Divisions, and between the Divisions and agencies of the Department, in a manner that—

(i) promotes leadership and professional development; and

(ii) enables personnel to interact with other agencies of the Department.

(5) ORGANIZATION.—The Under Secretary shall integrate leadership functions of the national program staff of the research agencies into the Research, Education and Extension Office in such form as is required to ensure that administrative duplication does not occur.

(f) NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.—

(1) DEFINITIONS.—In this subsection:

(A) ADVISORY BOARD.—The term “Advisory Board” means the National Agricultural Research, Extension, Education, and Economics Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123).

(B) APPLIED RESEARCH.—The term “applied research” means research that includes expansion of the findings of fundamental research to uncover practical ways in which

new knowledge can be advanced to benefit individuals and society.

(C) CAPACITY AND INFRASTRUCTURE PROGRAM.—The term “capacity and infrastructure program” means each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of the Food, Conservation, and Energy Act of 2008:

(i) Each program providing funding to any of the 1994 Institutions under sections 533, 534(a), and 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382).

(ii) The program established under section 536 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) providing research grants for 1994 Institutions.

(iii) Each program established under subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343).

(iv) Each program established under the Hatch Act of 1887 (7 U.S.C. 361a et seq.).

(v) Each program established under section 1417(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)).

(vi) The animal health and disease research program established under subtitle E of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191 et seq.) except for the competitive grant program under section 1433(b).

(vii) Each extension program available to 1890 Institutions established under section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221).

(viii) The program established under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222).

(ix) The program providing grants to upgrade agricultural and food sciences facilities at 1890 Institutions established under section 1447 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b).

(x) The program providing distance education grants for insular areas established under section 1490 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362).

(xi) The program providing resident instruction grants for insular areas established under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363).

(xii) Each research and development and related program established under Public Law 87–788 (commonly known as the “McIntire-Stennis Cooperative Forestry Act”) (16 U.S.C. 582a et seq.).

(xiii) Each program established under the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.).

(xiv) Each program providing funding to Hispanic-serving agricultural colleges and universities under section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

(xv) The program providing capacity grants to NLGCA Institutions under section 1473F of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

(xvi) Other programs that are capacity and infrastructure programs, as determined by the Secretary.

(D) COMPETITIVE PROGRAM.—The term “competitive program” means each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of the Food, Conservation, and Energy Act of 2008:

(i) The Agriculture and Food Research Initiative established under section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)).

(ii) The program providing competitive grants for risk management education established under section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)).

(iii) The program providing community food project competitive grants established under section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034).

(iv) The program providing grants for beginning farmer and rancher development established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).

(v) The program providing grants under section 1417(j) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)).

(vi) The program providing grants for Hispanic-serving institutions established under section 1455 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241).

(vii) The program providing competitive grants for international agricultural science and education programs under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b).

(viii) The research and extension projects carried out under section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811).

(ix) The organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b).

(x) The specialty crop research initiative under section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998.

(xi) The research, extension, and education programs authorized by section 407 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627) relating to the competitiveness, viability and sustainability of small- and medium-sized dairy, livestock, and poultry operations.

(xii) Other programs that are competitive programs, as determined by the Secretary.

(E) DIRECTOR.—The term “Director” means the Director of the Institute.

(F) FUNDAMENTAL RESEARCH.—The term “fundamental research” means research that—

(i) increases knowledge or understanding of the fundamental aspects of phenomena and has the potential for broad application; and

(ii) has an effect on agriculture, food, nutrition, or the environment.

(G) INSTITUTE.—The term “Institute” means the National Institute of Food and Agriculture established by paragraph (2)(A).

(2) ESTABLISHMENT OF NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.—

(A) ESTABLISHMENT.—The Secretary shall establish within the Department an agency to be known as the “National Institute of Food and Agriculture”.

(B) TRANSFER OF AUTHORITIES.—The Secretary shall transfer to the Institute, effective not later than October 1, 2009, the authorities (including all budget authorities, available appropriations, and personnel), duties, obligations, and related legal and administrative functions prescribed by law or otherwise granted to the Secretary, the Department, or any other agency or official of the Department under—

(i) the capacity and infrastructure programs;

(ii) the competitive programs;

(iii) the research, education, economic, cooperative State research programs, cooperative extension and education programs, international programs, and other functions and authorities delegated by the Under Secretary to the Administrator of the Cooperative State Research, Education, and Extension Service pursuant to section 2.66 of title 7, Code of Federal Regulations (or successor regulations); and

(iv) any and all other authorities administered by the Administrator of the Cooperative State Research, Education, and Extension Service.

(3) DIRECTOR.—

(A) IN GENERAL.—The Institute shall be headed by a Director, who shall be an individual who is—

(i) a distinguished scientist; and

(ii) appointed by the President.

(B) SUPERVISION.—The Director shall report directly to the Secretary, or the designee of the Secretary.

(C) FUNCTIONS OF THE DIRECTOR.—The Director shall—

(i) serve for a 6-year term, subject to reappointment for an additional 6-year term;

(ii) periodically report to the Secretary, or the designee of the Secretary, with respect to activities carried out by the Institute; and

(iii) consult regularly with the Secretary, or the designee of the Secretary, to ensure, to the maximum extent practicable, that—

(I) research of the Institute is relevant to agriculture in the United States and otherwise serves the national interest; and

(II) the research of the Institute supplements and enhances, and does not supplant, research conducted or funded by other Federal agencies.

(D) COMPENSATION.—The Director shall receive basic pay at a rate not to exceed the maximum amount of compensation payable to a member of the Senior Executive Service under subsection (b) of section 5382 of title 5, United States Code, except that the certification requirement in that subsection shall not apply to the compensation of the Director.

(E) AUTHORITY AND RESPONSIBILITIES OF DIRECTOR.—Except as otherwise specifically provided in this subsection, the Director shall—

(i) exercise all of the authority provided to the Institute by this subsection;

(ii) formulate and administer programs in accordance with policies adopted by the Institute, in coordination with the Under Secretary;

(iii) establish offices within the Institute;

(iv) establish procedures for the provision and administration of grants by the Institute; and

(v) consult regularly with the Advisory Board.

(4) REGULATIONS.—The Institute shall have such authority as is necessary to carry out this subsection, including the authority to promulgate such regulations as the Institute considers to be necessary for governance of operations, organization, and personnel.

(5) ADMINISTRATION.—

(A) IN GENERAL.—The Director shall organize offices and functions within the Institute to administer fundamental and applied research and extension and education programs.

(B) RESEARCH PRIORITIES.—The Director shall ensure the research priorities established by the Under Secretary through the Research, Education and Extension Office are carried out by the offices and functions of the Institute, where applicable.

(C) FUNDAMENTAL AND APPLIED RESEARCH.—The Director shall—

- (i) determine an appropriate balance between fundamental and applied research programs and functions to ensure future research needs are met; and
- (ii) designate staff, as appropriate, to assist in carrying out this subparagraph.

(D) COMPETITIVELY FUNDED AWARDS.—The Director shall—

- (i) promote the use and growth of grants awarded through a competitive process; and
- (ii) designate staff, as appropriate, to assist in carrying out this subparagraph.

(E) COORDINATION.—The Director shall ensure that the offices and functions established under subparagraph (A) are effectively coordinated for maximum efficiency.

(6) FUNDING.—

(A) IN GENERAL.—In addition to funds otherwise appropriated to carry out each program administered by the Institute, there are authorized to be appropriated such sums as are necessary to carry out this subsection for each fiscal year.

(B) ALLOCATION.—Funding made available under subparagraph (A) shall be allocated according to recommendations contained in the roadmap described in section 7504 of the Food, Conservation, and Energy Act of 2008.

(g) EXECUTIVE SCHEDULE.—

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Subtitle J—Miscellaneous Reorganization Provisions

* * * * *

SEC. 296. TERMINATION OF AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), the authority delegated to the Secretary by this title to reorganize the Department shall terminate on the date that is 2 years after the date of enactment of this Act.

(b) FUNCTIONS.—Subsection (a) shall not affect:

(1) The authority of the Secretary to continue to carry out a function that the Secretary performs on the date that is 2 years after the date of enactment of this Act.

(2) The authority delegated to the Secretary under Reorganization Plan No. 2 of 1953 (5 U.S.C. App.; 7 U.S.C. 2201 note).

(3) The authority of an agency, office, officer, or employee of the Department to continue to perform all functions delegated or assigned to the entity or person as of that termination date.

(4) The authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Marketing and Regulatory Programs under section 285.

(5) The authority of the Secretary to establish within the Department the position of Assistant Secretary of Agriculture for Civil Rights, and delegate duties to the Assistant Secretary, under section 218.

(6) The authority of the Secretary to establish in the Department, under section 251—

(A) the position of Under Secretary of Agriculture for Research, Education, and Economics;

(B) the Research, Education, and Extension Office; and

(C) the National Institute of Food and Agriculture.

(7) The authority of the Secretary to establish in the Department the Office of Advocacy and Outreach in accordance with section 226B.

(8) The authority of the Secretary to carry out amendments made to this title by the Agricultural Act of 2014, *section 772 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2018*, or the *Agriculture and Nutrition Act of 2018*.

TITLE III—MISCELLANEOUS

* * * * *

SEC. 308. ENHANCED USE LEASE AUTHORITY [PILOT] PROGRAM.

(a) ESTABLISHMENT.—To enhance the use of real property administered by agencies of the Department, the Secretary may establish a [pilot] program, in accordance with this section, at the Beltsville Agricultural Research Center of the Agricultural Research Service and the National Agricultural Library to lease nonexcess property of the Center or the Library to any individual or entity, including agencies or instrumentalities of State or local governments.

(b) REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding chapter 5 of subtitle I of title 40, United States Code, the Secretary may lease real property at the Beltsville Agricultural Research Center or the National Agricultural Library in accordance with such terms and conditions as the Secretary may prescribe, if the Secretary determines that the lease—

(A) is consistent with, and will not adversely affect, the mission of the Department agency administering the property;

(B) will enhance the use of the property;

(C) will not permit any portion of Department agency property or any facility of the Department to be used for the *onsite* public retail or wholesale sale of merchandise or residential development;

(D) will not permit the construction or modification of facilities financed by non-Federal sources to be used by an agency, except for incidental use; and

(E) will not include any property or facility required for any Department agency purpose without prior consideration of the needs of the agency.

(2) TERM.—The term of a lease under this section shall not exceed 30 years.

(3) CONSIDERATION.—

(A) IN GENERAL.—Consideration provided for a lease under this section shall be—

(i) in an amount equal to fair market value, as determined by the Secretary; and

- (ii) in the form of cash.
- (B) USE OF FUNDS.—
 - (i) IN GENERAL.—Consideration provided for a lease under this section shall be—
 - (I) deposited in a capital asset account to be established by the Secretary; and
 - (II) available until expended, without further appropriation, for maintenance, capital revitalization, and improvements of the Department properties and facilities at the Beltsville Agricultural Research Center and National Agricultural Library.
 - (ii) BUDGETARY TREATMENT.—For purposes of the budget, the amounts described in clause (i) shall not be treated as a receipt of any Department agency or any other agency leasing property under this section.
- (4) COSTS.—The lessee shall cover all costs associated with a lease under this section, including the cost of—
 - (A) the project to be carried out on property or at a facility covered by the lease;
 - (B) provision and administration of the lease;
 - (C) construction of any needed facilities;
 - (D) provision of applicable utilities; and
 - (E) any other facility cost normally associated with the operation of a leased facility.
- (5) PROHIBITION OF USE OF APPROPRIATIONS.—The Secretary shall not use any funds made available to the Secretary in an appropriations Act for the construction or operating costs of any space covered by a lease under this section.
- (6) TERMINATION OF AUTHORITY.—This section and the authority provided by this section terminate—
 - (A) **on the date that is 10 years after the date of enactment of this section** *on June 18, 2023*; or
 - (B) with respect to any particular leased property, on the date of termination of the lease.
- (c) EFFECT OF OTHER LAWS.—
 - (1) UTILIZATION.—Property that is leased pursuant to this section shall not be considered to be unutilized or underutilized for purposes of section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).
 - (2) DISPOSAL.—Property at the Beltsville Agricultural Research Center or the National Agricultural Library that is leased pursuant to this section shall not be considered to be disposed of by sale, lease, rental, excessing, or surplus for purposes of section 523 of Public Law 100–202 (101 Stat. 1329–417).
- (d) ADMINISTRATION.—
 - (1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes detailed management objectives and performance measurements by which the Secretary intends to evaluate the success of the program under this section.

(2) REPORTS.—[Not later than 6, 8, and 10 years after the date of enactment of this section] *Not later than June 18, 2019, June 18, 2021, and June 18, 2023*, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the implementation of the program under this section, including—

(A) a copy of each lease entered into pursuant to this section; and

(B) an assessment by the Secretary of the success of the program using the management objectives and performance measurements developed by the Secretary.

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RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT

* * * * *

SEC. 19. [FRESH] FRUIT AND VEGETABLE PROGRAM.

(a) IN GENERAL.—For the school year beginning July 2008 and each subsequent school year, the Secretary shall provide grants to States to carry out a program to make free fresh, *canned, dried, frozen, or pureed* fruits and vegetables available in elementary schools (referred to in this section as the “program”).

(b) PROGRAM.—A school participating in the program shall make free fresh, *canned, dried, frozen, or pureed* fruits and vegetables available to students throughout the school day (or at such other times as are considered appropriate by the Secretary) in 1 or more areas designated by the school.

(c) FUNDING TO STATES.—

(1) MINIMUM GRANT.—Except as provided in subsection (i)(2), the Secretary shall provide to each of the 50 States and the District of Columbia an annual grant in an amount equal to 1 percent of the funds made available for a year to carry out the program.

(2) ADDITIONAL FUNDING.—Of the funds remaining after grants are made under paragraph (1), the Secretary shall allocate additional funds to each State that is operating a school lunch program under section 4 based on the proportion that—

(A) the population of the State; bears to

(B) the population of the United States.

(d) SELECTION OF SCHOOLS.—

(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and section 4304(a)(2) of the Food, Conservation, and Energy Act of 2008, each year, in selecting schools to participate in the program, each State shall—

(A) ensure that each school chosen to participate in the program is a school—

(i) in which not less than 50 percent of the students are eligible for free or reduced price meals under this Act; and

(ii) that submits an application in accordance with subparagraph (D);

(B) to the maximum extent practicable, give the highest priority to schools with the highest proportion of children

who are eligible for free or reduced price meals under this Act;

(C) ensure that each school selected is an elementary school (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801));

(D) solicit applications from interested schools that include—

(i) information pertaining to the percentage of students enrolled in the school submitting the application who are eligible for free or reduced price school lunches under this Act;

(ii) a certification of support for participation in the program signed by the school food manager, the school principal, and the district superintendent (or equivalent positions, as determined by the school);

(iii) a plan for implementation of the program, including efforts to integrate activities carried out under this section with other efforts to promote sound health and nutrition, reduce overweight and obesity, or promote physical activity; and

(iv) such other information as may be requested by the Secretary; and

(E) encourage applicants to submit a plan for implementation of the program that includes a partnership with 1 or more entities that will provide non-Federal resources (including entities representing the fruit and vegetable industry).

(2) EXCEPTION.—Clause (i) of paragraph (1)(A) shall not apply to a State if all schools that meet the requirements of that clause have been selected and the State does not have a sufficient number of additional schools that meet the requirement of that clause.

(3) OUTREACH TO LOW-INCOME SCHOOLS.—

(A) IN GENERAL.—Prior to making decisions regarding school participation in the program, a State agency shall inform the schools within the State with the highest proportion of free and reduced price meal eligibility, including Native American schools, of the eligibility of the schools for the program with respect to priority granted to schools with the highest proportion of free and reduced price eligibility under paragraph (1)(B).

(B) REQUIREMENT.—In providing information to schools in accordance with subparagraph (A), a State agency shall inform the schools that would likely be chosen to participate in the program under paragraph (1)(B).

(e) NOTICE OF AVAILABILITY.—If selected to participate in the program, a school shall widely publicize within the school the availability of free fresh, *canned*, *dried*, *frozen*, or *pureed* fruits and vegetables under the program.

(f) PER-STUDENT GRANT.—The per-student grant provided to a school under this section shall be—

(1) determined by a State agency; and

(2) not less than \$50, nor more than \$75.

(g) LIMITATION.—To the maximum extent practicable, each State agency shall ensure that in making the fruits and vegetables pro-

vided under this section available to students, schools offer the fruits and vegetables separately from meals otherwise provided at the school under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(h) EVALUATION AND REPORTS.—

(1) IN GENERAL.—The Secretary shall conduct an evaluation of the program, including a determination as to whether children experienced, as a result of participating in the program—

(A) increased consumption of fruits and vegetables;

(B) other dietary changes, such as decreased consumption of less nutritious foods; and

(C) such other outcomes as are considered appropriate by the Secretary.

(2) REPORT.—Not later than September 30, 2011, the Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the evaluation under paragraph (1).

(i) FUNDING.—

(1) IN GENERAL.—Out of the funds made available under subsection (b)(2)(A) of section 14222 of the Food, Conservation, and Energy Act of 2008, the Secretary shall use the following amounts to carry out this section:

(A) On October 1, 2008, \$40,000,000.

(B) On July 1, 2009, \$65,000,000.

(C) On July 1, 2010, \$101,000,000.

(D) On July 1, 2011, \$150,000,000.

(E) On July 1, 2012, and each July 1 thereafter, the amount made available for the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding April 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.

(2) MAINTENANCE OF EXISTING FUNDING.—In allocating funding made available under paragraph (1) among the States in accordance with subsection (c), the Secretary shall ensure that each State that received funding under section 18(f) on the day before the date of enactment of the Food, Conservation, and Energy Act of 2008 shall continue to receive sufficient funding under this section to maintain the caseload level of the State under that section as in effect on that date.

(3) EVALUATION FUNDING.—On October 1, 2008, out of any funds made available under subsection (b)(2)(A) of section 14222 of the Food, Conservation, and Energy Act of 2008, the Secretary shall use to carry out the evaluation required under subsection (h), \$3,000,000, to remain available for obligation until September 30, 2010.

(4) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section any funds transferred for that purpose, without further appropriation.

(5) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts made available to carry out this section, there

are authorized to be appropriated such sums as are necessary to expand the program established under this section.

(6) ADMINISTRATIVE COSTS.—

(A) IN GENERAL.—Of funds made available to carry out this section for a fiscal year, the Secretary may use not more than \$500,000 for the administrative costs of carrying out the program.

(B) RESERVATION OF FUNDS.—The Secretary shall allow each State to reserve such funding as the Secretary determines to be necessary to administer the program in the State (with adjustments for the size of the State and the grant amount), but not to exceed the amount required to pay the costs of 1 full-time coordinator for the program in the State.

(7) REALLOCATION.—

(A) AMONG STATES.—The Secretary may reallocate any amounts made available to carry out this section that are not obligated or expended by a date determined by the Secretary.

(B) WITHIN STATES.—A State that receives a grant under this section may reallocate any amounts made available under the grant that are not obligated or expended by a date determined by the Secretary.

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CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

* * * * *

TITLE III—AGRICULTURAL CREDIT

* * * * *

SUBTITLE A—REAL ESTATE LOANS

SEC. 302. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.

(a) IN GENERAL.—

(1) ELIGIBILITY REQUIREMENTS.—The Secretary may make and insure loans under this subtitle to farmers and ranchers in the United States, and to farm cooperatives and private domestic corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities as the Secretary considers appropriate, that are controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States, subject to the conditions specified in this section. To be eligible for such loans, applicants who are individuals, or, in the case of cooperatives, corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities, individuals holding a majority interest in such entity, must (A) be citizens of the United States, (B) for direct loans only, have either training or farming experience that the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations, taking into consideration all farming experience of the applicant, without regard to any lapse between farming

experiences, (C) be or will become owner-operators of not larger than family farms (or in the case of cooperatives, corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be or will become either owners or operators of not larger than a family farm and at least one such individual must be or will become an operator of not larger than a family farm or, in the case of holders of the entire interest who are related by blood or marriage and all of whom are or will become farm operators, the ownership interest of each such holder separately constitutes not larger than a family farm, even if their interests collectively constitute larger than a family farm, as defined by the Secretary), and (D) be unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. In addition to the foregoing requirements of this section, in the case of corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities, the family farm requirement of subparagraph (C) of the preceding sentence shall apply as well to the farm or farms in which the entity has an ownership and operator interest and the requirement of subparagraph (D) of the preceding sentence shall apply as well to the entity in the case of cooperatives, corporations, partnerships, joint operations, trusts, limited liability companies, and such other legal entities.

(2) SPECIAL RULES.—

(A) ELIGIBILITY OF CERTAIN OPERATING-ONLY ENTITIES.—

An entity that is or will become only the operator of a family farm shall be considered to meet the owner-operator requirements of paragraph (1) if the individuals that are the owners of the family farm own more than 50 percent (or such other percentage as the Secretary determines is appropriate) of the entity.

(B) ELIGIBILITY OF CERTAIN EMBEDDED ENTITIES.—An entity that is an owner-operator described in paragraph (1), or an operator described in subparagraph (A) of this paragraph that is owned, in whole or in part, by other entities, shall be considered to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of the entity is owned directly or indirectly by the individuals that own the family farm.

(b) DIRECT LOANS.—

(1) IN GENERAL.—Subject to paragraph (3), the Secretary may make a direct loan under this subtitle only to a farmer or rancher who has participated in the business operations of a farm or ranch for not less than 3 years or has other acceptable experience for a period of time, as determined by the Secretary, and—

(A) is a qualified beginning farmer or rancher;

(B) has not received a previous direct farm ownership loan made under this subtitle; or

(C) has not received a direct farm ownership loan under this subtitle more than 10 years before the date the new loan would be made.

(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 311(b) shall not be considered the operation of a farm or ranch for purposes of paragraph (1).

(3) TRANSITION RULE.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the Secretary may make a direct loan under this subtitle to a farmer or rancher who has a direct loan outstanding under this subtitle on the date of enactment of this paragraph.

(B) LESS THAN 5 YEARS.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for less than 5 years, the Secretary shall not make a loan to the farmer or rancher under subparagraph (A) after the date that is 10 years after the date of enactment of this paragraph.

(C) 5 YEARS OR MORE.—If, as of the date of enactment of this paragraph, a farmer or rancher has had a direct loan outstanding under this subtitle for 5 years or more, the Secretary shall not make a loan to the farmer or rancher under subparagraph (A) after the date that is 5 years after the date of enactment of this paragraph.

(D) NOTICE.—Beginning with fiscal year 2000 not later than 12 months before a borrower will become ineligible for direct loans under this subtitle by reason of this paragraph, the Secretary shall notify the borrower of such impending ineligibility.

(4) WAIVER AUTHORITY.—*In the case of a qualified beginning farmer or rancher, the Secretary may—*

(A) *reduce the 3-year requirement in paragraph (1) to—*

(i) *2 years, if the farmer or rancher has—*

(I) *16 credit hours of post-secondary education in a field related to agriculture;*

(II) *at least 1 year of direct substantive management experience in a business;*

(III) *been honorably discharged from the armed forces of the United States;*

(IV) *successfully repaid a youth loan made under section 311(b); or*

(V) *an established relationship with an individual participating as a counselor in a Service Corps of Retired Executives program authorized under section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)), or with a local farm or ranch operator or organization, approved by the Secretary, that is committed to mentoring the farmer or rancher; or*

(ii) *1 year, if the farmer or rancher has military leadership or management experience from having completed an acceptable military leadership course; or*

(B) *waive the 3-year requirement in paragraph (1) if the farmer or rancher—*

(i) meets a requirement of subparagraph (A)(i) (other than subclause (V) thereof) and meets the requirement of subparagraph (A)(ii); and
(ii) meets the requirement of subparagraph (A)(i)(V).

* * * * *

SEC. 304. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.

(a) **IN GENERAL.**—The Secretary may make or guarantee qualified conservation loans to eligible borrowers under this section.

(b) **DEFINITIONS.**—In this section:

(1) **QUALIFIED CONSERVATION LOAN.**—The term “qualified conservation loan” means a loan, the proceeds of which are used to cover the costs to the borrower of carrying out a qualified conservation project.

(2) **QUALIFIED CONSERVATION PROJECT.**—The term “qualified conservation project” means conservation measures that address provisions of a conservation plan of the eligible borrower.

(3) **CONSERVATION PLAN.**—The term “conservation plan” means a plan, approved by the Secretary, that, for a farming or ranching operation, identifies the conservation activities that will be addressed with loan funds provided under this section, including—

(A) the installation of conservation structures to address soil, water, and related resources;

(B) the establishment of forest cover for sustained yield timber management, erosion control, or shelter belt purposes;

(C) the installation of water conservation measures;

(D) the installation of waste management systems;

(E) the establishment or improvement of permanent pasture;

(F) compliance with section 1212 of the Food Security Act of 1985; and

(G) other purposes consistent with the plan, including the adoption of any other emerging or existing conservation practices, techniques, or technologies approved by the Secretary.

(c) **ELIGIBILITY.**—

(1) **IN GENERAL.**—The Secretary may make or guarantee loans to farmers or ranchers in the United States, farm cooperatives, private domestic corporations, partnerships, joint operations, trusts, limited liability companies, or such other legal entities as the Secretary considers appropriate that are controlled by farmers or ranchers and engaged primarily and directly in agricultural production in the United States.

(2) **REQUIREMENTS.**—To be eligible for a loan under this section, applicants shall meet the requirements in subparagraphs (A) and (B) of section 302(a)(1).

(d) **PRIORITY.**—In making or guaranteeing loans under this section, the Secretary shall give priority to—

(1) qualified beginning farmers or ranchers and socially disadvantaged farmers or ranchers;

(2) owners or tenants who use the loans to convert to sustainable or organic agricultural production systems; and

(3) producers who use the loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985.

(e) LIMITATIONS APPLICABLE TO LOAN GUARANTEES.—The portion of a loan that the Secretary may guarantee under this section shall be—

- (1) 80 percent of the principal amount of the loan; or
- (2) in the case of a producer that is a qualified socially disadvantaged farmer or rancher or a beginning farmer or rancher, 90 percent of the principal amount of the loan.

(f) ADMINISTRATIVE PROVISIONS.—The Secretary shall ensure, to the maximum extent practicable, that loans made or guaranteed under this section are distributed across diverse geographic regions.

(g) CREDIT ELIGIBILITY.—The provisions of paragraphs (1) and (3) of section 333 shall not apply to loans made or guaranteed under this section.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section ~~[\$150,000,000]~~ \$75,000,000 for each of fiscal years 2014 through ~~[2018]~~ 2023.

SEC. 305. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

(a) IN GENERAL.—The Secretary shall make or insure no loan under sections 302, 303, 304, 310D, and 310E of this title that would cause the unpaid indebtedness under such sections of any one borrower to exceed the smaller of (1) the value of the farm or other security, or (2) in the case of a loan other than a loan guaranteed by the Secretary, \$300,000, or, in the case of a loan guaranteed by the Secretary, ~~[\$700,000]~~ \$1,750,000 (increased, beginning with fiscal year ~~[2000]~~ 2019, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary).

(b) DETERMINATION OF VALUE.—In determining the value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary.

(c) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

- (1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department of Agriculture) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds
- (2) the average of such index (as so defined) for the 12-month period ending on August 31, 1996.

SEC. 306. (a)(1) The Secretary is also authorized to make or insure loans to associations, including corporations not operated for profit, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public and quasi-public agencies to provide for the application or establishment of soil conservation practices, shifts in land use, the conservation, development, use, and control of water, and the installation or improvement of drainage or waste disposal facilities, recreational developments, and essential community facilities including necessary related equipment, all primarily serving farmers, ranchers, farm ten-

ants, farm laborers, rural businesses, and other rural residents, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, or as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 112 Stat. 2681, 2681-37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes. The Secretary may also make loans to any borrower to whom a loan has been made under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), for the conservation, development, use, and control of water, and the installation of drainage or waste disposal facilities, primarily serving farmers, ranchers, farm tenants, farm laborers, rural businesses, and other rural residents. When any loan made for a purpose specified in this paragraph is sold out of the Agricultural Credit Insurance Fund as an insured loan, the interest or other income thereon paid to an insured holder shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954. With respect to loans of less than \$500,000 made or insured under this paragraph that are evidenced by notes and mortgages, as distinguished from bond issues, borrowers shall not be required to appoint bond counsel to review the legal validity of the loan whenever the Secretary has available legal counsel to perform such review.

(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—The Secretary is authorized to make grants to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

(ii) AMOUNT.—The amount of any grant made under the authority of this subparagraph shall not exceed 75 per centum of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area.

(iii) GRANT RATE.—The Secretary shall fix the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates establishing higher rates for projects in communities that have lower community population and income levels.

(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing financing to eligible entities for—

(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

(ii) ELIGIBLE ENTITIES.—To be eligible to obtain financing from a revolving fund under clause (i), an eligible entity must be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

(iii) MAXIMUM AMOUNT OF FINANCING.—The amount of financing made to an eligible entity under this subparagraph shall not exceed—

(I) ~~[\$100,000]~~ \$200,000 for costs described in clause (i)(I); and

(II) ~~[\$100,000]~~ \$200,000 for costs described in clause (i)(II).

(iv) TERM.—The term of financing provided to an eligible entity under this subparagraph shall not exceed 10 years.

(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

(vi) ANNUAL REPORT.—A nonprofit entity receiving a grant under this subparagraph shall submit to the Secretary an annual report that describes the number and size of communities served and the type of financing provided.

(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph ~~[\$30,000,000 for each of fiscal years 2008 through 2018]~~ \$15,000,000 for each of fiscal years 2019 through 2023.

(C) SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES AND HOUSEHOLDS PROGRAM.—

(i) IN GENERAL.—The Secretary may establish the Special Evaluation Assistance for Rural Communities and Households (SEARCH) program, to make predevelopment planning grants for feasibility studies, design assistance, and technical assistance, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects described in paragraph (1), this paragraph, and paragraph (24).

(ii) TERMS.—

(I) DOCUMENTATION.—With respect to grants made under this subparagraph, the Secretary shall require the lowest amount of documentation practicable.

(II) MATCHING.—Notwithstanding any other provisions in this subsection, the Secretary may

fund up to 100 percent of the eligible costs of grants provided under this subparagraph, as determined by the Secretary.

(iii) FUNDING.—The Secretary may use not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facility activities under this title to carry out this subparagraph.

(iv) RELATIONSHIP TO OTHER AUTHORITY.—The funds and authorities provided under this subparagraph are in addition to any other funds or authorities the Secretary may have to carry out activities described in clause (i).

(3) No grant shall be made under paragraph (2) of this subsection in connection with any project unless the Secretary determines that the project (i) will serve a rural area which, if such project is carried out, is not likely to decline in population below that for which the project was designed, (ii) is designed and constructed so that adequate capacity will or can be made available to serve the present population of the area to the extent feasible and to serve the reasonably foreseeable growth needs of the area, and (iii) is necessary for an orderly community development consistent with a comprehensive community water, waste disposal, or other development plan of the rural area.

(4)(A) The term “development cost” means the cost of construction of a facility and the land, easements, and rights-of-way, and water rights necessary to the construction and operation of the facility.

(B) The term “project” shall include facilities providing central service or facilities serving individual properties, or both.

(5) APPLICATION REQUIREMENTS.—Not earlier than 60 days before a preliminary application is filed for a loan under paragraph (1) or a grant under paragraph (2) for a water or waste disposal purpose, a notice of the intent of the applicant to apply for the loan or grant shall be published in a general circulation newspaper. The selection of engineers for a project design shall be done by a request for proposals by the applicant.

(6) The Secretary may make grants aggregating not to exceed \$30,000,000 in any fiscal year to public bodies or such other agencies as the Secretary may determine having authority to prepare comprehensive plans for the development of water or waste disposal systems in rural areas which do not have funds available for immediate undertaking of the preparation of such plan.

(7)

(8) In each instance where the Secretary receives two or more applications for financial assistance for projects that would serve substantially the same group of residents within a single rural area, and one such application is submitted by a city, town, county or other unit of general local government, he shall, in the absence of substantial reasons to the contrary, provide such assistance to such city, town, county or other unit of general local government.

(9) CONFORMITY WITH STATE DRINKING WATER STANDARDS.—No Federal funds shall be made available under this section for a water system unless the Secretary determines that the water system will make significant progress toward meeting

the standards established under title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.).

(10) CONFORMITY WITH FEDERAL AND STATE WATER POLLUTION CONTROL STANDARDS.—No Federal funds shall be made available under this section for a water treatment discharge or waste disposal system unless the Secretary determines that the effluent from the system conforms with applicable Federal and State water pollution control standards.

(12)(A) The Secretary shall, in cooperation with institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503–505, as amended; 7 U.S.C. 301–305, 307, and 308), or the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute and State, substate, and regional planning bodies, establish a system for the dissemination of information and technical assistance on federally sponsored or funded programs. The system shall be for the use of institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503–505, as amended; 7 U.S.C. 301–305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417–419, as amended; 7 U.S.C. 321–326 and 328), including the Tuskegee Institute and State, substate, and regional planning bodies, and other persons concerned with rural development.

(B) The informational system developed under this paragraph shall contain all pertinent information, including, but not limited to, information contained in the Federal Procurement Data System, Federal Assistance Program Retrieval System, Catalogue of Federal Domestic Assistance, Geographic Distribution of Federal Funds, United States Census, and Code of Federal Regulations.

(C) The Secretary shall obtain from all other Federal departments and agencies comprehensive, relevant, and applicable information on programs under their jurisdiction that are operated in rural areas.

(D) Of the sums authorized to be appropriated to carry out the provisions of this title, not more than \$1,000,000 per year may be expended to carry out the provisions of this paragraph.

(13) In the making of loans and grants for community waste disposal and water facilities under paragraphs (1) and (2) of this subsection the Secretary shall accord highest priority to the application of any municipality or other public agency (including an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group) in a rural community having a population not in excess of five thousand five hundred and which, in the case of water facility loans, has a community water supply system, where the Secretary determines that due to unanticipated diminution or deterioration of its water supply, immediate action is needed, or in the case of waste disposal, has a community waste disposal system, where the Secretary determines that due to unanticipated occurrences the system is not adequate to the needs of the community. The Secretary shall utilize the Soil Conservation Service in rendering technical assistance to applicants under this paragraph to the extent he deems appropriate.

(14) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

(A) IN GENERAL.—The Secretary may make grants to private nonprofit organizations for the purpose of enabling them to provide to associations described in paragraph (1) of this subsection technical assistance and training to—

(i) identify, and evaluate alternative solutions to, problems relating to the obtaining, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

(ii) prepare applications to receive financial assistance for any purpose specified in paragraph (2) of this subsection from any public or private source; **[and]**

(iii) improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas~~].~~ *and*

(iv) identify options to enhance long term sustainability of rural water and waste systems to include operational practices, revenue enhancements, policy revisions, partnerships, consolidation, regionalization, or contract services.

(B) SELECTION PRIORITY.—In selecting recipients of grants to be made under subparagraph (A), the Secretary shall give priority to private nonprofit organizations that have experience in providing the technical assistance and training described in subparagraph (A) to associations serving rural areas in which residents have low income and in which water supply systems or waste facilities are unhealthful.

(C) FUNDING.—Not less than **[1** nor more than **3]** *3* nor more than 5 percent of any funds appropriated to carry out paragraph (2) of this subsection for any fiscal year shall be reserved for grants under subparagraph (A) unless the applications, qualifying for grants, received by the Secretary from eligible nonprofit organizations for the fiscal year total less than 1 per centum of those funds.

(15) In the case of water and waste disposal facility projects serving more than one separate rural community, the Secretary shall use the median population level and the community income level of all the separate communities to be served in applying the standards specified in paragraph (2) of this subsection and section 307(a)(3)(A).

(16) Grants under paragraph (2) of this subsection may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under the law providing for such grant-in-aid program.

(17)(A) In the approval and administration of a loan made under paragraph (1) for a water or waste disposal facility, the Secretary shall consider fully any recommendation made by the loan applicant or borrower concerning the technical design and choice of materials to be used for such facility.

(B) If the Secretary determines that a design or materials, other than those that were recommended, should be used in the water or waste disposal facility, the Secretary shall provide such applicant or borrower with a comprehensive justification for such determination.

(18) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this title.

(19) COMMUNITY FACILITIES GRANT PROGRAM.—

(A) IN GENERAL.—The Secretary may make grants, in a total amount not to exceed \$10,000,000 for any fiscal year, to associations, units of general local government, non-profit corporations, *Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act)*, Indian tribes (as such term is defined under section 4(e) of Public Law 93-638, as amended), and federally recognized Indian tribes to provide the Federal share of the cost of developing specific essential community facilities in rural areas.

(B) FEDERAL SHARE.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the amount of the Federal share of the cost of the facility under this paragraph.

(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph for a facility shall not exceed 75 percent of the cost of developing the facility.

(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale for the amount of the Federal share provided under this paragraph, with higher Federal shares for facilities in communities that have lower community population and income levels, as determined by the Secretary.

(20) COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH EXTREME UNEMPLOYMENT AND SEVERE ECONOMIC DEPRESSION.—

(A) DEFINITION OF NOT EMPLOYED RATE.—In this paragraph, the term “not employed rate”, with respect to a community, means the percentage of individuals over the age of 18 who reside within the community and who are ready, willing, and able to be employed but are unable to find employment, as determined by the department of labor of the State in which the community is located.

(B) GRANT AUTHORITY.—The Secretary may make grants to associations, units of general local government, non-profit corporations, and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) in a State to provide the Federal share of the cost of developing specific essential community facilities in rural communities with respect to which the not employed rate is greater than the lesser of—

(i) 500 percent of the average national unemployment rate on the date of the enactment of this paragraph, as determined by the Bureau of Labor Statistics; or

(ii) 200 percent of the average national unemployment rate during the Great Depression, as determined by the Bureau of Labor Statistics.

(C) FEDERAL SHARE.—Paragraph (19)(B) shall apply to a grant made under this paragraph.

(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph \$50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year, of which not more than 5 percent of the amount made available for a fiscal year shall be available for community planning and implementation.

(E) RURAL BROADBAND.—Notwithstanding subparagraph (C), the Secretary may make grants to State agencies for use by regulatory commissions in states with rural communities without local broadband service to establish a competitively, technologically neutral grant program to telecommunications carriers or cable operators that establish common carrier facilities and services which, in the commission's determination, will result in the long-term availability to such communities of affordable broadband services which are used for the provision of high speed Internet access.

(21) COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH HIGH LEVELS OF OUT-MIGRATION OR LOSS OF POPULATION.—

(A) GRANT AUTHORITY.—The Secretary may make grants to associations, units of general local government, nonprofit corporations, and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) in a State to provide the Federal share of the cost of developing specific essential community facilities in any geographic area—

(i) that is represented by—

(I) any political subdivision of a State;

(II) an Indian tribe on a Federal or State reservation; or

(III) other federally recognized Indian tribal group;

(ii) that is located in a rural area (as defined in section 381A);

(iii) with respect to which, during the most recent 5-year period, the net out-migration of inhabitants, or other population loss, from the area equals or exceeds 5 percent of the population of the area; and

(iv) that has a median household income that is less than the nonmetropolitan median household income of the United States.

(B) FEDERAL SHARE.—Paragraph (19)(B) shall apply to a grant made under this paragraph.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph \$50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year, of which not more than 5 percent of the amount made available for a fiscal year shall be available for community planning and implementation.

(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

(A) IN GENERAL.—The Secretary shall continue a national rural water and wastewater circuit rider program that—

(i) is consistent with the activities and results of the program conducted before the date of enactment of this clause, as determined by the Secretary; and

(ii) receives funding from the Secretary, acting through the Rural Utilities Service.

(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph ~~[\$20,000,000 for fiscal year 2014]~~ *\$25,000,000 for fiscal year 2018* and each fiscal year thereafter.

[(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

[(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

[(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall give priority to an organization that—

[(i) serves a rural area that, during the most recent 5-year period—

[(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

[(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

[(ii) has a history of providing substantive assistance to local governments and economic development organizations.

[(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

[(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed \$100,000.

[(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph ~~\$30,000,000 for each of fiscal years 2003 through 2007.~~]

(24) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

(A) IN GENERAL.—The Secretary may guarantee a loan made to finance a community facility or water or waste facility project in a rural area, including a loan financed by the net proceeds of a bond described in section 142(a) of the Internal Revenue Code of 1986.

(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan shall demonstrate to the Secretary that the person has—

(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.

(C) USE OF LOAN GUARANTEES FOR COMMUNITY FACILITIES.—The Secretary shall consider the benefits to communities that result from using loan guarantees in carrying out the community facilities program and, to the maximum extent practicable, use guarantees to enhance community involvement.

(25) TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.—

(A) IN GENERAL.—The Secretary may make grants to an entity that is a Tribal College or University (as defined in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c)) to provide the Federal share of the cost of developing specific Tribal College or University essential community facilities in rural areas.

(B) FEDERAL SHARE.—The Secretary shall establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost of the facility.

(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph **[\$10,000,000 for each of fiscal years 2008 through 2018]** *\$5,000,000 for each of fiscal years 2019 through 2023.*

(26) ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.—

(A) IN GENERAL.—The Secretary may make grants to public bodies and private nonprofit corporations (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that will serve rural areas for the purpose of enabling the public bodies and private nonprofit corporations to provide to associations described in paragraph (1) technical assistance and training, with respect to essential community facilities programs authorized under this subsection—

(i) to assist communities in identifying and planning for community facility needs;

(ii) to identify public and private resources to finance community facility needs;

(iii) to prepare reports and surveys necessary to request financial assistance to develop community facilities;

(iv) to prepare applications for financial assistance;

(v) to improve the management, including financial management, related to the operation of community facilities; or

(vi) to assist with other areas of need identified by the Secretary.

(B) SELECTION PRIORITY.—In selecting recipients of grants under this paragraph, the Secretary shall give priority to private, nonprofit, or public organizations that have experience in providing technical assistance and training to rural entities.

(C) FUNDING.—Not less than 3 nor more than 5 percent of any funds appropriated to carry out each of the essential community facilities grant, loan and loan guarantee programs as authorized under this subsection for a fiscal year shall be reserved for grants under this paragraph.

(27) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—

(A) SELECTION PRIORITY.—*While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, in selecting recipients of loans, loan guarantees, or grants for the development of essential community facilities under this section, the Secretary shall give priority to entities eligible for those loans or grants—*

(i) to develop facilities to provide services related to reducing the effects of the health emergency, including—

(I) prevention services;

(II) treatment services;

(III) recovery services; or

(IV) any combination of those services; and

(ii) that employ staff that have appropriate expertise and training in how to identify and treat individuals affected by the emergency.

(B) USE OF FUNDS.—*An eligible entity described in subparagraph (A) that receives a loan or grant described in that subparagraph may use the loan or grant funds for the development of telehealth facilities and systems to provide for treatment directly related to the emergency involved.*

(b) The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year.

SEC. 306A. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) **IN GENERAL.**—The Secretary shall provide grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities, or when such a decline is imminent; or

(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy—

(A) an acute, or imminent, shortage of quality water; or

(B) a significant decline, or imminent decline, in the quantity or quality of water that is available.

(b) **PRIORITY.**—In carrying out subsection (a), the Secretary shall—

(1) give priority to projects described in subsection (a)(1); and

(2) provide at least 70 percent of all such grants to such projects.

(c) **ELIGIBILITY.**—To be eligible to obtain a grant under this section, an applicant shall—

(1) be a public or private nonprofit entity; and

(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred, or will occur, within 2 years of the date the application was filed for such grant.

(d) **USES.**—

(1) **IN GENERAL.**—Grants made under this section may be used—

(A) for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, and hook and tap fees;

(B) for any other appropriate purpose associated with developing sources of, treating, storing, or distributing water;

(C) to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

(D) to provide potable water to communities through other means.

(2) **JOINT PROPOSALS.**—Nothing in this section shall preclude rural communities from submitting joint proposals for emergency water assistance, subject to the restrictions contained in subsection (e). Such restrictions should be considered in the aggregate, depending on the number of communities involved.

(e) **RESTRICTIONS.**—

(1) **MAXIMUM POPULATION AND INCOME.**—No grant provided under this section shall be used to assist any rural area or community that—

(A) includes any area in any city or town with a population in excess of 10,000 inhabitants according to the most recent decennial census of the United States; or

- (B) has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.
- (2) SET-ASIDE FOR SMALLER COMMUNITIES.—Not less than 50 percent of the funds allocated under this section shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.
- (f) MAXIMUM GRANTS.—Grants made under this section may not exceed—
- (1) in the case of each grant made under subsection (a)(1), \$500,000; and
 - (2) in the case of each grant made under subsection (a)(2), \$150,000.
- (g) FULL FUNDING.—Subject to subsection (e), grants under this section shall be made in an amount equal to 100 percent of the costs of the projects conducted under this section.
- (h) APPLICATION.—
- (1) NATIONALLY COMPETITIVE APPLICATION PROCESS.—The Secretary shall develop a nationally competitive application process to award grants under this section. The process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline, or imminent decline, in quantity or quality of water.
 - (2) TIMING OF REVIEW OF APPLICATIONS.—
 - (A) SIMPLIFIED APPLICATION.—The application process developed by the Secretary under paragraph (1) shall include a simplified application form that will permit expedited consideration of an application for a grant filed under this section.
 - (B) PRIORITY REVIEW.—In processing applications for any water or waste grant or loan authorized under this title, the Secretary shall afford priority processing to an application for a grant under this section to the extent funds will be available for an award on the application at the conclusion of priority processing.
 - (C) TIMING.—The Secretary shall, to the maximum extent practicable, review and act on an application under this section within 60 days after the date on which the application is submitted to the Secretary.
- (i) FUNDING.—
- (1) RESERVATION.—
 - (A) IN GENERAL.—For each fiscal year, not less than 3 nor more than 5 percent of the total amount made available to carry out section 306(a)(2) for the fiscal year shall be reserved for grants under this section.
 - [(B) RELEASE.—Funds reserved under subparagraph (A) for a fiscal year shall be reserved only until July 1 of the fiscal year.]
 - (B) RELEASE.—
 - (i) IN GENERAL.—*Except as provided in clause (ii), funds reserved under subparagraph (A) for a fiscal year shall be reserved only until July 1 of the fiscal year.*
 - (ii) EXCEPTION.—*In response to an eligible community where the drinking water supplies are inadequate*

due to a natural disaster, as determined by the Secretary, including drought or severe weather, the Secretary may provide potable water under this section for an additional period not to exceed 120 days beyond the established period otherwise provided under this section, in order to protect public health.

(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds made available under paragraph (1), there is authorized to be appropriated to carry out this section ~~[\$35,000,000 for each of fiscal years 2008 through 2018]~~ \$27,000,000 for each of fiscal years 2019 through 2023.

* * * * *

SEC. 306D. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

(a) IN GENERAL.—The Secretary may make grants to the State of Alaska for the benefit of rural or Native villages in Alaska to provide for the development and construction of water and wastewater systems to improve the health and sanitation conditions in those villages.

(b) MATCHING FUNDS.—To be eligible to receive a grant under subsection (a), the State of Alaska shall provide 25 percent in matching funds from non-Federal sources.

(c) CONSULTATION WITH THE STATE OF ALASKA.—The Secretary shall consult with the State of Alaska on a method of prioritizing the allocation of grants under subsection (a) according to the needs of, and relative health and sanitation conditions in, each village.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2008 through ~~[2018]~~ 2023.

(2) TRAINING AND TECHNICAL ASSISTANCE.—Not more than 2 percent of the amount made available under paragraph (1) for a fiscal year may be used by the State of Alaska for training and technical assistance programs relating to the operation and management of water and waste disposal services in rural and Native villages.

(3) AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in paragraph (1) shall be available until expended.

SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term “eligible individual” means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

(b) GRANTS.—

(1) IN GENERAL.—The Secretary may make grants to private nonprofit organizations for the purpose of providing loans to el-

eligible individuals for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are or will be owned by the eligible individuals.

(2) TERMS OF LOANS.—A loan made with grant funds under this section—

- (A) shall have an interest rate of 1 percent;
- (B) shall have a term not to exceed 20 years; and
- (C) shall not exceed \$11,000 for each water well system described in paragraph (1).

(3) ADMINISTRATIVE EXPENSES.—A recipient of a grant made under this section may use grant funds to pay administrative expenses associated with providing the assistance described in paragraph (1), as determined by the Secretary.

(c) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2014 through ~~2018~~ 2023.

* * * * *

SEC. 309A. (a) There is hereby created the Rural Development Insurance Fund (hereinafter in this section referred to as the “Insurance Fund”) which shall be used by the Secretary as a revolving fund for the discharge of the obligations of the Secretary under contracts guaranteeing or insuring rural development loans. For the purpose of this section “rural development loans” shall be those provided for by sections 306(a)(1) and 310B, except loans (other than for water systems and waste disposal facilities) of a type authorized by section 306(a)(1) prior to its amendment by the Rural Development Act of 1972.

(b) The assets and liabilities of the Agricultural Credit Insurance Fund referred to in section 309(a) applicable to loans for water systems and waste disposal facilities under section 306(a)(1) are hereby transferred to the Insurance Fund. Such assets (including the proceeds thereof) and liabilities and rural development loans guaranteed or insured pursuant to this title shall be subject to the provisions of this section ~~and section 308~~.

(c) Moneys in the Insurance Fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the Insurance Fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the Insurance Fund any notes issued by the Secretary to the Secretary of the Treasury for the purpose of obtaining money for the Insurance Fund.

(d) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this section and for making loans, advances, and authorized expenditures out of the Insurance Fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a

rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the average maturities of rural development loans made, guaranteed, or insured under this title. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include the purchase of notes issued by the Secretary hereunder. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

(e) Notes and security acquired by the Secretary in connection with rural development loans made, guaranteed, or insured under this title or transferred by subsection (b) of this section shall become a part of the Insurance Fund. Notes and other obligations may be held in the Insurance Fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time, including sale on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes or other obligations sold by the Secretary on a nonrecourse basis shall be relieved of any responsibilities that might have been imposed had the borrower remained indebted to the Secretary. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the Insurance Fund.

(f) The Secretary shall deposit in the Insurance Fund any charges collected for loan services provided by the Secretary as well as charges assessed for losses and costs of administration in connection with making, guaranteeing, or insuring rural development loans under this title.

(g) The Secretary may utilize the Insurance Fund—

(1) to pay amounts to which the holder of insured notes is entitled on loans heretofore or hereafter insured accruing between the date of any payments by the borrower and the date of transmittal of any such payments to the holder. In the discretion of the Secretary, payments other than final payments need not be remitted to the holder until due or until the next agreed annual or semiannual remittance date;

(2) to pay to the holder of insured notes any deferred or defaulted installment, or upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

(3) to purchase notes in accordance with contracts of insurance heretofore or hereafter entered into by the Secretary;

(4) to make payments in compliance with the Secretary's obligations under contracts of guarantee entered into by him;

(5) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, expenses for necessary services, in-

cluding construction inspections, commercial appraisals, loan servicing, consulting business advisory or other commercial and technical services, and other program services, and other expenses and advances authorized in section 335(a) of this title in connection with insured loans. Such items may be paid in connection with guaranteed loans after or in connection with acquisition by the Secretary of such loans or security therefor after default, to an extent determined by the Secretary to be necessary to protect the interest of the Government, or in connection with grants and any other activity authorized in this title;

(6) to pay the difference between interest payments by borrowers and interest to which holders of insured notes are entitled under contracts of insurance heretofore or hereafter entered into by the Secretary; and

(7) to pay the Secretary's costs of administration necessary to insure loans under the programs referred to in subsection (a) of this section, make grants under sections 306(a) and 310B of this title, service, and otherwise carry out such programs, including costs of the Secretary incidental to guaranteeing rural development loans under this title, either directly from the Insurance Fund or by transfers from the Fund to, and merger with, any appropriations for administrative expenses.

(h) When any loan is sold out of the Insurance Fund as an insured loan, the interest or other income thereon paid to an insured holder shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954.

* * * * *

SEC. 310B. ASSISTANCE FOR RURAL ENTITIES.

(a) **LOANS TO PRIVATE BUSINESS ENTERPRISES.—**

(1) **DEFINITIONS.—**In this subsection:

(A) **AQUACULTURE.—**The term “aquaculture” means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish.

(B) **SOLAR ENERGY.—**The term “solar energy” means energy derived from sources (other than fossil fuels) and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974, as amended.

(2) **LOAN PURPOSES.—**The Secretary may make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit and private investment funds that invest primarily in cooperative organizations, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to individuals for the purposes of—

(A) improving, developing, or financing business, industry, and employment (including through the financing of working capital) and improving the economic and environmental climate in rural communities, including pollution abatement and control;

(B) the conservation, development, and use of water for aquaculture purposes in rural areas;

(C) reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation), including the modification of existing systems, in rural areas; and

(D) to facilitate economic opportunity for industries undergoing adjustment from terminated Federal agricultural price and income support programs or increased competition from foreign trade.

(3) LOAN GUARANTEES.—Loans described in paragraph (2), when originated, held, and serviced by other lenders, may be guaranteed by the Secretary under this section without regard to paragraphs (1) and (4) of section 333.

(4) MAXIMUM AMOUNT OF PRINCIPAL.—No loan may be made, insured, or guaranteed under this subsection that exceeds \$25,000,000 in principal amount.

(b) SOLID WASTE MANAGEMENT GRANTS.—

(1) IN GENERAL.—The Secretary may make grants to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of such assistance.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$10,000,000 for each of fiscal years 2014 through [2018] 2023.

(c) RURAL BUSINESS DEVELOPMENT GRANTS.—

(1) IN GENERAL.—The Secretary may make grants under this subsection to eligible entities described in paragraph (2) in rural areas that primarily serve rural areas for purposes described in paragraph (3).

(2) ELIGIBLE ENTITIES.—The Secretary may make grants under this subsection to—

- (A) governmental entities;
- (B) Indian tribes; and
- (C) nonprofit entities.

(3) ELIGIBLE PURPOSES FOR GRANTS.—Eligible entities that receive grants under this subsection may use the grant funds for—

- (A) business opportunity projects that—
 - (i) identify and analyze business opportunities;
 - (ii) identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;
 - (iii) assist in the establishment of new rural businesses and the maintenance of existing businesses, including through business support centers;
 - (iv) conduct regional, community, and local economic development planning and coordination, and leadership development; and
 - (v) establish centers for training, technology, and trade that will provide training to rural businesses in

the use of interactive communications technologies to develop international trade opportunities and markets;
and or

(B) projects that support the development of business enterprises that finance or facilitate—

(i) the development of small and emerging private business enterprise;

(ii) the establishment, expansion, and operation of rural distance learning networks;

(iii) the development of rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students; and

(iv) the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities.

(4) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out this subsection \$65,000,000 for each of fiscal years 2014 through **[2018]** 2023, to remain available until expended.

(B) ALLOCATION.—Of the funds made available under subparagraph (A) for a fiscal year, not more than 10 percent shall be used for the purposes described in paragraph (3)(A).

(d)(1) The Secretary may participate in joint financing to facilitate development of private business enterprises in rural areas with the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development and other Federal and State agencies and with private and quasi-public financial institutions, through joint loans to applicants eligible under subsection (a) for the purpose of improving, developing, or financing business, industry, and employment and improving the economic and environmental climate in rural areas or through joint grants to applicants eligible under subsection (c) for such purposes, including in the case of loans or grants the development, construction, or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refining, service and fees.

(2) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, that is calculated to or is likely to result in the transfer from one area to another of any employment or business activity provided by operations of the applicant, but this limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations unless there is reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business en-

tity in the area of its original location or in any other area where it conducts such operations.

(3) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, which is calculated to or likely to result in an increase in the production of goods, materials, or commodities, or the availability of services or facilities in the area, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises, unless such financial or other assistance will not have an adverse effect upon existing competitive enterprises in the area.

(4) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, if the Secretary of Labor certifies within 30 days after the matter has been submitted to him by the Secretary of Agriculture that the provisions of paragraphs (2) and (3) of this subsection have not been complied with. The Secretary of Labor shall, in cooperation with the Secretary of Agriculture, develop a system of certification which will insure the expeditious processing of requests for assistance under this section.

(5) No grant or loan authorized to be made under this title shall require or be subject to the prior approval of any officer, employee, or agency of any State.

(6) No loan commitment issued under this section shall be conditioned upon the applicant investing in excess of 10 per centum in the business or industrial enterprise for which purpose the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than 10 per centum.

(7) No provision of law shall prohibit issuance by the Secretary of certificates evidencing beneficial ownership in a block of notes insured or guaranteed under this title or Title V of the Housing Act of 1949; any sale by the Secretary of such certificates shall be treated as a sale of assets for the purposes of the Budget and Accounting Act of 1921. Any security representing beneficial ownership in a block of notes guaranteed or insured under this title or Title V of the Housing Act of 1949 issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Secretary shall require (i) that the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) that the issuer provide such periodic reports of sales as the Secretary deems necessary.

(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

(1) DEFINITIONS.—In this subsection:

(A) NONPROFIT INSTITUTION.—The term “nonprofit institution” means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(B) UNITED STATES.—The term “United States” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

(2) GRANTS.—The Secretary shall make grants effective October 1, 1996, under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(vi) Programs providing for the coordination of services and sharing of information among the center.

(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of busi-

ness, industry, educational institutions, the Federal Government, and State and local governments.

(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

(G) Provisions for—

(i) monitoring and evaluating the activities by the nonprofit institution operating the center; and

(ii) accounting for money received by the institution under this section.

(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

(A) demonstrate a proven track record in carrying out activities to promote and assist the development of cooperatively and mutually owned businesses;

(B) demonstrate previous expertise in providing technical assistance in rural areas to promote and assist the development of cooperatively and mutually owned businesses;

(C) demonstrate the ability to assist in the retention of businesses, facilitate the establishment of cooperatives and new cooperative approaches, and generate employment opportunities that will improve the economic conditions of rural areas;

(D) commit to providing technical assistance and other services to underserved and economically distressed areas in rural areas of the United States;

(E) demonstrate a commitment to—

(i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

(ii) developing multiorganization and multistate approaches to addressing the economic development and cooperative needs of rural areas; and

(F) commit to providing a 25 percent matching contribution with private funds and in-kind contributions, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382)), *except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382))*.

(6) GRANT PERIOD.—

(A) IN GENERAL.—A grant awarded to a center that has received no prior funding under this subsection shall be made for a period of 1 year.

(B) **MULTIYEAR GRANTS.**—If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the parameters described in paragraph (5), as determined by the Secretary.

(7) **AUTHORITY TO EXTEND GRANT PERIOD.**—The Secretary may extend for 1 additional 12-month period the period in which a grantee may use a grant made under this subsection.

(8) **TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.**—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

(9) **GRANTS TO DEFRAY ADMINISTRATIVE COSTS.**—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

(10) **COOPERATIVE RESEARCH PROGRAM.**—The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the effects of all types of cooperatives on the national economy.

(11) **ADDRESSING NEEDS OF MINORITY COMMUNITIES.**—

(A) **DEFINITION OF SOCIALLY DISADVANTAGED GROUP.**—In this paragraph, the term “socially disadvantaged group” has the meaning given the term in section 355(e).

(B) **RESERVATION OF FUNDS.**—

(i) **IN GENERAL.**—If the total amount appropriated under paragraph [(12)] (13) for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives—

(I) that serve socially disadvantaged groups; and

(II) a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups.

(ii) **INSUFFICIENT APPLICATIONS.**—To the extent there are insufficient applications to carry out clause (i), the Secretary shall use the funds as otherwise authorized by this subsection.

(12) **INTERAGENCY WORKING GROUP.**—Not later than 90 days after the date of enactment of the Agricultural Act of 2014, the

Secretary shall coordinate and chair an interagency working group to foster cooperative development and ensure coordination with Federal agencies and national and local cooperative organizations that have cooperative programs and interests.

(13) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2014 through ~~2018~~ 2023.

[(f) GRANTS TO BROADCASTING SYSTEMS.—

[(1) DEFINITION OF STATEWIDE.—In this subsection, the term “statewide” means having a coverage area of not less than 90 percent of the population of a State and not less than 80 percent of the rural land area of the State (as determined by the Secretary).

[(2) GRANTS.—The Secretary may make grants to statewide private nonprofit public television systems, whose coverage area is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Grants available under this paragraph may be used for capital equipment expenditures, start-up and program costs, and other costs necessary to the operation of such demonstrations.

[(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2012.]

(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

(1) DEFINITION OF BUSINESS AND INDUSTRY LOAN.—In this subsection, the term “business and industry loan” means a business and industry direct or guaranteed loan that is made or guaranteed by the Secretary under subsection (a)(2)(A), including guarantees described in paragraph (3)(A)(ii).

(2) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to individual farmers or ranchers for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.

(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) for which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

(3) LOANS TO COOPERATIVES.—

(A) ELIGIBILITY.—

(i) IN GENERAL.—The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area or a loan guarantee that meets the requirements of paragraph (6).

(ii) EQUITY.—The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) REFINANCING.—A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

(i) the cooperative organization—

(I) is current and performing with respect to the existing loan; and

(II) is not, and has not been, in payment default, or the collateral of which has not been converted, with respect to the existing loan; and

(ii) there is adequate security or full collateral for the refinanced loan.

(4) LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

(5) FEES.—The Secretary may assess a 1-time fee for any guaranteed business and industry loan in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.

(6) LOAN GUARANTEES IN NONRURAL AREAS.—

(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

(i) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;

(ii) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

(iii) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(B) PRINCIPAL AMOUNTS.—The principal amount of a business and industry loan guaranteed under this paragraph may not exceed \$25,000,000.

(7) INTANGIBLE ASSETS.—

(A) IN GENERAL.—In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

(B) ACCOUNTS RECEIVABLE.—In the discretion of the Secretary, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government, the Secretary may take accounts receivable as security for the obligations entered into in connection with loans and a borrower may use accounts receivable as collateral to secure a loan made or guaranteed under this subsection.

(8) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE ORGANIZATIONS.—

(A) PRINCIPAL AMOUNT.—

(i) IN GENERAL.—Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed \$40,000,000.

(ii) USE.—To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the any such loan in excess of \$25,000,000 shall be used to carry out a project that—

(I)(aa) is in a rural area; and

(bb) provides for the value-added processing of agricultural commodities; or

(II) significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) APPLICATIONS.—If a cooperative organization submits an application for a guarantee under this subsection of a business and industry loan with a principal amount that is in excess of \$25,000,000, the Secretary—

(i) shall review and, if appropriate, approve the application; and

(ii) may not delegate the approval authority.

(C) MAXIMUM AMOUNT.—The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of \$25,000,000 may not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(9) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.—

(A) DEFINITIONS.—In this paragraph:

(i) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCT.—The term “locally or regionally produced agricultural food product” means any agricultural food product that is raised, produced, and distributed in—

(I) the locality or region in which the final product is marketed, so that the total distance that the

product is transported is less than 400 miles from the origin of the product; or

(II) the State in which the product is produced.

(ii) **UNDERSERVED COMMUNITY.**—The term “underserved community” means a community (including an urban or rural community and an Indian tribal community) that has, as determined by the Secretary—

(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and

(II) a high rate of hunger or food insecurity or a high poverty rate.

(B) **LOAN AND LOAN GUARANTEE PROGRAM.**—

(i) **IN GENERAL.**—The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm and ranch income.

(ii) **REQUIREMENT.**—The recipient of a loan or loan guarantee under clause (i) shall include in an appropriate agreement with retail and institutional facilities to which the recipient sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally or regionally produced agricultural food products.

(iii) **PRIORITY.**—In making or guaranteeing a loan under clause (i), the Secretary shall give priority to projects that have components benefitting underserved communities.

(iv) **RESERVATION OF FUNDS.**—

(I) **IN GENERAL.**—For each of fiscal years 2008 through ~~2018~~ 2023, the Secretary shall reserve not less than 5 percent of the funds made available to carry out this subsection to carry out this subparagraph.

(II) **AVAILABILITY OF FUNDS.**—Funds reserved under subclause (I) for a fiscal year shall be reserved until April 1 of the fiscal year.

(h) **LOAN GUARANTEES FOR CERTAIN LOANS.**—The Secretary may guarantee loans made under subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(24).

(i) **APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.**—

(1) **DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.**—In this subsection, the term “national nonprofit agricultural assistance institution” means an organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;

- (B) has staff and offices in multiple regions of the United States;
 - (C) has experience and expertise in operating national agriculture technical assistance programs;
 - (D) expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and
 - (E) improves the economic viability of agricultural operations.
- (2) ESTABLISHMENT.—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to—

- (A) reduce input costs;
- (B) conserve energy resources;
- (C) diversify operations through new energy crops and energy generation facilities; and
- (D) expand markets for agricultural commodities produced by the producers by using practices that enhance the environment, natural resource base, and quality of life.

(3) IMPLEMENTATION.—

(A) IN GENERAL.—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance institution.

(B) GRANT AMOUNT.—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through [2018] 2023.

(j) RURAL ECONOMIC AREA PARTNERSHIP ZONES.—Effective beginning on the date of enactment of this subsection through September 30, [2018] 2023, the Secretary shall carry out those rural economic area partnership zones administratively in effect on the date of enactment of this subsection in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.

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SEC. 310E. DOWN PAYMENT LOAN PROGRAM.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—Notwithstanding any other section of this subtitle, the Secretary shall establish, within the farm ownership loan program established under this subtitle, a program under which loans shall be made under this section to qualified beginning farmers or ranchers and socially disadvantaged farmers or ranchers for down payments on farm ownership loans.

(2) ADMINISTRATION.—The Secretary shall be the primary coordinator of credit supervision for the down payment loan program established under this section, in consultation with the

commercial or cooperative lender and, if applicable, the contracting credit counseling service selected under section 360(c).

(b) LOAN TERMS.—

(1) PRINCIPAL.—Each loan made under this section shall be in an amount that does not exceed 45 percent of the least of—

(A) the purchase price of the farm or ranch to be acquired;

(B) the appraised value of the farm or ranch to be acquired; or

(C) \$667,000.

(2) INTEREST RATE.—The interest rate on any loan made by the Secretary under this section shall be a rate equal to the greater of—

(A) the difference obtained by subtracting 4 percent from the interest rate for farm ownership loans under this subtitle; or

(B) 1.5 percent.

(3) DURATION.—Each loan under this section shall be made for a period of 20 years or less, at the option of the borrower.

(4) REPAYMENT.—Each borrower of a loan under this section shall repay the loan to the Secretary in equal annual installments.

(5) NATURE OF RETAINED SECURITY INTEREST.—The Secretary shall retain an interest in each farm or ranch acquired with a loan made under this section that shall—

(A) be secured by the farm or ranch;

(B) be junior only to such interests in the farm or ranch as may be conveyed at the time of acquisition to the person (including a lender) from whom the borrower obtained a loan used to acquire the farm or ranch; and

(C) require the borrower to obtain the permission of the Secretary before the borrower may grant an additional security interest in the farm or ranch.

(c) LIMITATIONS.—

(1) BORROWERS REQUIRED TO MAKE MINIMUM DOWN PAYMENT.—The Secretary shall not make a loan under this section to any borrower with respect to a farm or ranch if the contribution of the borrower to the down payment on the farm or ranch will be less than 5 percent of the purchase price of the farm or ranch.

(2) PROHIBITED TYPES OF FINANCING.—The Secretary shall not make a loan under this section with respect to a farm or ranch if the farm or ranch is to be acquired with other financing that contains any of the following conditions:

(A) The financing is to be amortized over a period of less than 30 years.

(B) A balloon payment will be due on the financing during the 20-year period beginning on the date the loan is to be made by the Secretary.

(d) ADMINISTRATION.—In carrying out this section, the Secretary shall, to the maximum extent practicable—

(1) facilitate the transfer of farms and ranches from retiring farmers and ranchers to persons eligible for insured loans under this subtitle;

(2) make efforts to widely publicize the availability of loans under this section among—

- (A) potentially eligible recipients of the loans;
- (B) retiring farmers and ranchers; and
- (C) applicants for farm ownership loans under this subtitle;

(3) encourage retiring farmers and ranchers to assist in the sale of their farms and ranches to qualified beginning farmers and ranchers *and socially disadvantaged farmers or ranchers* by providing seller financing;

(4) coordinate the loan program established by this section with State programs that provide farm ownership or operating loans for beginning farmers or ranchers or socially disadvantaged farmers or ranchers; and

(5) establish annual performance goals to promote the use of the down payment loan program and other joint financing arrangements as the preferred choice for direct real estate loans made by any lender to a qualified beginning farmer or rancher or socially disadvantaged farmer or rancher.

(e) **SOCIALLY DISADVANTAGED FARMER OR RANCHER DEFINED.**—In this section, the term “socially disadvantaged farmer or rancher” has the meaning given that term in section 355(e)(2).

* * * * *

SEC. 310H. INTERMEDIARY RELENDING PROGRAM.

(a) **IN GENERAL.**—The Secretary may make or guarantee loans to eligible entities described in subsection (b) so that the eligible entities may relend the funds to individuals and entities for the purposes described in subsection (c).

(b) **ELIGIBLE ENTITIES.**—Entities eligible for loans and loan guarantees described in subsection (a) are—

- (1) public agencies;
- (2) Indian tribes;
- (3) cooperatives; and
- (4) nonprofit corporations.

(c) **ELIGIBLE PURPOSES.**—The proceeds from loans made or guaranteed by the Secretary pursuant to subsection (a) may be relented by eligible entities for projects that—

- (1) predominately serve communities in rural areas; and
- (2) as determined by the Secretary—
 - (A) promote community development;
 - (B) establish new businesses;
 - (C) establish and support microlending programs; and
 - (D) create or retain employment opportunities.

(d) **LIMITATION.**—The Secretary shall not make loans under section 623(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(a)).

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this subsection **[\$25,000,000 for each of fiscal years 2014 through 2018]** *\$10,000,000 for each of fiscal years 2019 through 2023.*

SUBTITLE B—OPERATING LOANS

* * * * *

SEC. 313. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

(a) **IN GENERAL.**—The Secretary shall make or insure no loan under this subtitle—

(1) that would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle to any one borrower to exceed, in the case of a loan other than a loan guaranteed by the Secretary, \$300,000, or, in the case of a loan guaranteed by the Secretary, ~~[\$700,000]~~ \$1,750,000 (increased, beginning with fiscal year ~~[2000]~~ 2019, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the unpaid indebtedness of the borrower on loans under the sections specified in section 305 that are guaranteed by the Secretary); or

(2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program.

(b) **INFLATION PERCENTAGE.**—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

(1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department of Agriculture) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

(2) the average of such index (as so defined) for the 12-month period ending on August 31, 1996.

(c) **MICROLOANS.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary may establish a program to make or guarantee microloans.

(2) **LIMITATIONS.**—The Secretary shall not make or guarantee a microloan under this subsection that would cause the total principal indebtedness outstanding at any 1 time for microloans made under this ~~[title]~~ subsection to any 1 borrower to exceed \$50,000.

(3) **APPLICATIONS.**—To the maximum extent practicable, the Secretary shall limit the administrative burdens and streamline the application and approval process for microloans under this subsection.

(4) **COOPERATIVE LENDING PILOT PROJECTS.**—

(A) **IN GENERAL.**—Subject to subparagraph (B), during each of the 2014 through 2018 fiscal years, the Secretary may carry out a pilot project to make loans to community development financial institutions, as the Secretary determines appropriate—

(i) to make or guarantee microloans consistent with the terms provided under this subsection; and

(ii) to provide business, financial, marketing, and credit management services to microloan borrowers.

(B) **REQUIREMENTS.**—Prior to making a loan to an institution described in subparagraph (A), the Secretary shall—

(i) review and approve—

(I) the loan loss reserve fund for microloans established by the institution; and

(II) the underwriting standards for microloans of the institution; and

(ii) establish such other requirements for making a loan to the institution as the Secretary determines necessary.

(C) ELIGIBILITY.—To be eligible for a loan under subparagraph (A), an institution described in subparagraph (A) shall, as determined by the Secretary—

(i) have the legal authority necessary to carry out the actions described in subparagraph (A);

(ii) have a proven track record of successfully assisting agricultural borrowers; and

(iii) have the services of a staff with appropriate loan making and servicing expertise.

(D) OVERSIGHT.—Not less often than annually, on a date determined by the Secretary, an institution that has a loan under this paragraph shall provide to the Secretary such information as the Secretary may require to ensure that the services provided by the institution are serving the purposes of this subsection.

(E) LIMITATION.—The Secretary shall not make more than \$10,000,000 in loans under this paragraph in any fiscal year.

* * * * *

SUBTITLE C—EMERGENCY LOANS

SEC. 321. (a) The Secretary shall make and insure loans under this subtitle only to the extent and in such amounts as provided in advance in appropriation Acts to (1) established farmers or ranchers (including equine farmers or ranchers), or persons engaged in aquaculture, who are citizens of the United States and who are (in the case of farm ownership loans in accordance with subtitle A) owner-operators or operators, or (in the case of loans for a purpose under subtitle B) operators of not larger than family farms, and (2) farm cooperatives, private domestic corporations, partnerships, joint operations, trusts, or limited liability companies, or other legal entities, or such other legal entities as the Secretary considers appropriate (A) that are engaged primarily in farming or ranching (including equine farming or ranching) or aquaculture, and (B) in which a majority interest is held by individuals who are citizens of the United States and who are (in the case of farm ownership loans in accordance with subtitle A) owner-operators or operators, or (in the case of loans for a purpose under subtitle B) operators of not larger than family farms (or in the case of such cooperatives, corporations, partnerships, joint operations, trusts, or limited liability companies, or other legal entities in which a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary, such individuals must be either owners or operators of not larger than a family farm and at least one such individual must be an operator of not larger than a family farm), where the Secretary finds that the applicants' farming, ranching, or aquaculture operations have been substantially affected by a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), a natural disaster in the United States, or a major disaster

or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): *Provided*, That they have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such loan and are not able to obtain sufficient credit elsewhere. In addition to the foregoing requirements of this subsection, in the case of farm cooperatives, private domestic corporations, partnerships, joint operations, trusts, [and limited liability companies] *limited liability companies, and such other legal entities*, the family farm requirement of the preceding sentence shall apply as well to all farms in which the entity has an ownership or operator interest (in the case of loans for a purpose under subtitle A) or an operator interest (in the case of loans for a purpose under subtitle B). The Secretary shall accept applications from, and make or insure loans pursuant to the requirements of this subtitle to, applicants, otherwise eligible under this subtitle, that conduct farming, ranching, or aquaculture operations in any county contiguous to a county where the Secretary has found that farming, ranching, or aquaculture operations have been substantially affected by a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), a natural disaster in the United States, or a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Secretary shall accept applications for assistance under this subtitle from persons affected by such a quarantine or natural disaster at any time during the eight-month period beginning (A) on the date on which the Secretary determines that farming, ranching, or aquaculture operations have been substantially affected by such quarantine or natural disaster or (B) on the date the President makes the major disaster or emergency designation with respect to such natural disaster, as the case may be. An entity that is an owner-operator or operator described in this subsection shall be considered to meet the direct ownership requirement imposed under this subsection if at least 75 percent of the ownership interests of each embedded entity of the entity is owned directly or indirectly by the individuals that own the family farm.

(b) HAZARD INSURANCE REQUIREMENT.—

(1) IN GENERAL.—After the Secretary makes the determination required by paragraph (2), the Secretary may not make a loan to a farmer or rancher under this subtitle to cover a property loss unless the farmer or rancher had hazard insurance that insured the property at the time of the loss.

(2) DETERMINATION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall determine the appropriate level of insurance to be required under paragraph (1).

(3) LOANS TO POULTRY FARMERS.—

(A) INABILITY TO OBTAIN INSURANCE.—

(i) IN GENERAL.—Notwithstanding any other provision of this subtitle, the Secretary may make a loan to a poultry farmer under this subtitle to cover the loss of a chicken house for which the farmer did not have

hazard insurance at the time of the loss, if the farmer—

(I) applied for, but was unable, to obtain hazard insurance for the chicken house;

(II) uses the loan to rebuild the chicken house in accordance with industry standards in effect on the date the farmer submits an application for the loan (referred to in this paragraph as “current industry standards”);

(III) obtains, for the term of the loan, hazard insurance for the full market value of the chicken house; and

(IV) meets the other requirements for the loan under this subtitle.

(ii) AMOUNT.—Subject to the limitation contained in section 324(a)(2), the amount of a loan made to a poultry farmer under clause (i) shall be an amount that will allow the farmer to rebuild the chicken house in accordance with current industry standards.

(B) LOANS TO COMPLY WITH CURRENT INDUSTRY STANDARDS.—

(i) IN GENERAL.—Notwithstanding any other provision of this subtitle, the Secretary may make a loan to a poultry farmer under this subtitle to cover the loss of a chicken house for which the farmer had hazard insurance at the time of the loss, if—

(I) the amount of the hazard insurance is less than the cost of rebuilding the chicken house in accordance with current industry standards;

(II) the farmer uses the loan to rebuild the chicken house in accordance with current industry standards;

(III) the farmer obtains, for the term of the loan, hazard insurance for the full market value of the chicken house; and

(IV) the farmer meets the other requirements for the loan under this subtitle.

(ii) AMOUNT.—Subject to the limitation contained in section 324(a)(2), the amount of a loan made to a poultry farmer under clause (i) shall be the difference between—

(I) the amount of the hazard insurance obtained by the farmer; and

(II) the cost of rebuilding the chicken house in accordance with current industry standards.

(c) The Secretary shall conduct the emergency loan program under this subtitle in a manner that will foster and encourage the family farm system of agriculture, consistent with the reaffirmation of policy and declaration of the intent of Congress contained in section 102(a) of the Food and Agriculture Act of 1977.

(d) For the purposes of this subtitle—

(1) “aquaculture” means the husbandry of aquatic organisms under a controlled or selected environment; and

(2) “able to obtain sufficient credit elsewhere” means able to obtain sufficient credit elsewhere to finance the applicant’s ac-

tual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

* * * * *

SUBTITLE D—ADMINISTRATIVE PROVISIONS

SEC. 331. (a) In accordance with section 359, for purposes of this title, and for the administration of assets under the jurisdiction of the Secretary of Agriculture pursuant to the Farmers Home Administration Act of 1946, as amended, the Bankhead-Jones Farm Tenant Act, as amended, the Act of August 28, 1937, as amended, the Act of April 6, 1949, as amended, the Act of August 31, 1954, as amended, and the powers and duties of the Secretary under any other Act authorizing agricultural credit, the Secretary may assign and transfer such powers, duties, and assets to such officers or agencies of the Department of Agriculture as the Secretary considers appropriate.

(b) The Secretary may—

(1) administer his powers and duties through such national, area, State, or local offices and employees in the United States as he determines to be necessary and may authorize an office to serve the area composed of two or more States if he determines that the volume of business in the area is not sufficient to justify separate State offices, and until January 1, 1975, make contracts for services incident to making, insuring, collecting, and servicing loans and property as determined by the Secretary to be necessary for carrying out the purposes of this title; (and the Secretary shall prior to June 30, 1974, report to the Congress through the President on the experience in using such contracts, together with recommendations for such legislation as he may see fit);

(2) accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

(3) within the limits of appropriations made therefor, make necessary expenditures for purchase or hire of passenger vehicles, and such other facilities and services as he may from time to time find necessary for the proper administration of this title;

(4) compromise, adjust, reduce, or charge-off debts or claims (including debts and claims arising from loan guarantees), and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Consolidated Farm Service Agency, Rural Utilities Service, Rural Housing Service, Rural Business-Cooperative Service, or a successor agency, or the Rural Development Administration, except for activities under the Housing Act of 1949. In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary

under this paragraph. The Secretary may not require liquidation of property securing any farmer program loan or acceleration of any payment required under any farmer program loan as a prerequisite to initiating an action authorized under this subsection. After consultation with a local or area county committee, the Secretary may release borrowers or others obligated on a debt, except for debt incurred under the Housing Act of 1949, from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim, except that no compromise, adjustment, reduction, or charge-off of any claim may be made or carried out after the claim has been referred to the Attorney General, unless the Attorney General approves;

(5) except for activities conducted under the Housing Act of 1949, collect all claims and obligations administered by the Farmers Home Administration, or under any mortgage, lease, contract, or agreement entered into or administered by the Farmers Home Administration and, if in his judgment necessary and advisable, pursue the same to final collection in any court having jurisdiction;

(6) release mortgage and other contract liens if it appears that they have no present or prospective value or that their enforcement likely would be ineffectual or uneconomical;

(7) obtain fidelity bonds protecting the Government against fraud and dishonesty of officers and employees of the Farmers Home Administration in lieu of faithful performance of duties bonds under section 14, title 6, United States Code, and regulations issued pursuant thereto, but otherwise in accordance with the provisions thereof;

(8) consent to (A) long-term leases of facilities financed under this title notwithstanding the failure of the lessee to meet any of the requirements of this title if such long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor, and (B) the transfer of property securing any loan or financed by any loan or grant made, insured, or held by the Secretary under this title, or the provisions of any other law administered by the Rural Development Administration or by the Farmers Home Administration, upon such terms as he deems necessary to carry out the purpose of the loan or grant or to protect the financial interest of the Government, and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower; and

(9) notwithstanding that an area ceases, or has ceased, to be "rural", in a "rural area", or an eligible area, make loans and grants, and approve transfers and assumptions, under this title on the same basis as though the area still was rural in connection with property securing any loan made, insured, or held by the Secretary under this title or in connection with any property held by the Secretary under this title.

(c) The Secretary may use for the prosecution or defense of any claim or obligation described in subsection (b)(5) the Attorney General, the General Counsel of the Department of Agriculture, or a private attorney who has entered into a contract with the Secretary.

(d) RURAL COLLEGE COORDINATED STRATEGY.—

(1) IN GENERAL.—The Secretary shall develop a coordinated strategy across the relevant programs within the Rural Development mission areas to serve the specific, local needs of rural communities when making investments in rural community colleges and technical colleges through other authorities in effect on the date of enactment of this subsection.

(2) CONSULTATION.—In developing a coordinated strategy, the Secretary shall consult with groups representing rural-serving community colleges and technical colleges to coordinate critical investments in rural community colleges and technical colleges involved in workforce training.

(3) ADMINISTRATION.—Nothing in this subsection provides a priority for funding under authorities in effect on the date of enactment of this subsection.

(4) USE.—The Secretary shall use the coordinated strategy and information developed for the strategy to more effectively serve rural communities with respect to investments in community colleges and technical colleges.

(e)(1) Except as provided in paragraph (2), the Secretary may allow a recipient of a grant, loan, or loan guarantee provided by the Office of Rural Development under this title to use not more than 10 percent of the amount so provided—

(A) for any activity for which assistance may be provided under section 601 of the Rural Electrification Act of 1936; or

(B) to construct other broadband infrastructure.

(2) Paragraph (1) of this subsection shall not apply to a recipient who is seeking to provide retail broadband service in any area where retail broadband service is available at the minimum broadband speeds, as defined under section 601(e) of the Rural Electrification Act of 1936.

* * * * *

SEC. 331D. NOTICE OF LOAN SERVICE PROGRAMS.

(a) REQUIREMENT.—The Secretary shall provide notice by certified mail to each borrower who is at least 90 days past due on the payment of principal or interest on a loan made or insured under this title.

(b) CONTENTS.—The notice required under subsection (a) shall—

(1) include a summary of all primary loan service programs, preservation loan service programs, debt settlement programs, and appeal procedures, including the eligibility criteria, and terms and conditions of such programs and procedures;

(2) include a summary of the manner in which the borrower may apply, and be considered, for all such programs, except that the Secretary shall not require the borrower to select among such programs or waive any right in order to be considered for any program carried out by the Secretary;

(3) advise the borrower regarding all filing requirements and any deadlines that must be met for requesting loan servicing;

(4) provide any relevant forms, including applicable response forms;

(5) advise the borrower that a copy of regulations is available on request; and

(6) be designed to be readable and understandable by the borrower.

(c) CONTAINED IN REGULATIONS.—All notices required by this section shall be contained in the regulations implementing this title.

(d) TIMING.—The notice described in subsection (b) shall be provided—

(1) at the time an application is made for participation in a loan service program;

(2) on written request of the borrower; and

(3) before the earliest of—

(A) initiating any liquidation;

(B) requesting the conveyance of security property;

(C) accelerating the loan;

(D) repossessing property;

(E) foreclosing on property; or

(F) taking any other collection action.

(e) CONSIDERATION OF BORROWERS FOR LOAN SERVICE PROGRAMS.—The Secretary shall consider a farmer program borrower for all loan service programs if, within 60 days after receipt of the notice required in this section *or, in extraordinary circumstances as determined by the applicable State director, after the 60-day period*, the borrower requests such consideration in writing. In considering a borrower for loan service programs, the Secretary shall place the highest priority on the preservation of the borrower's farming operations.

* * * * *

SEC. 333. In connection with loans made or insured under this title, the Secretary shall —

(1) require the applicant (A) to certify in writing, and the Secretary shall determine, that he is unable to obtain sufficient credit elsewhere to finance his actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, and (B) to furnish an appropriate written financial statement;

(2) except with respect to a loan under section 306, 310B, or 314, require—

(A) an annual review of the credit history and business operation of the borrower; and

(B) an annual review of the continued eligibility of the borrower for the loan;

(3) except for guaranteed loans, require an agreement by the borrower that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source (or, in the case of a borrower under section 310D of this title, the borrower may be able to obtain a loan under section 302 of this title), at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan;

(4) require such provision for supervision of the borrower's operations as the Secretary shall deem necessary to achieve the objectives of the loan and protect the interests of the United States;

(5) require the application of a person who is a veteran of any war, as defined in section 101(12) of title 38, United States Code, for a loan under subtitle A or B to be given preference over a similar application from a person who is not a veteran of any war, if the applications are on file in a county or area office at the same time; **[and]**

(6) in the case of water and waste disposal direct and guaranteed loans provided under section 306, encourage, to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by—

(A) maximizing the use of loan guarantees to finance eligible projects in rural communities in which the population exceeds 5,500;

(B) maximizing the use of direct loans to finance eligible projects in rural communities if the impact on ratepayers will be material when compared to financing with a loan guarantee;

(C) establishing and applying a materiality standard when determining the difference in impact on ratepayers between a direct loan and a loan guarantee;

(D) in the case of projects that require interim financing in excess of \$500,000, requiring that the projects initially seek the financing from private or cooperative lenders; and

(E) determining if an existing direct loan borrower can refinance with a private or cooperative lender, including with a loan guarantee, prior to providing a new direct loan**【.】**; and

(7) in the case of an insured or guaranteed loan issued or modified under section 306(a), charge and collect from the recipient of the insured or guaranteed loan fees in such amounts as are necessary so that the sum of the total amount of fees so charged in each fiscal year and the total of the amounts appropriated for all such insured or guaranteed loans for the fiscal year equals the subsidy cost for the insured or guaranteed loans in the fiscal year.

SEC. 333A. (a)(1) The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this title, and notify the applicant of such action, not later than 60 days after the Secretary has received a complete application for such loan or loan guarantee.

(2)(A) If an application for a loan or loan guarantee under this title (other than under subtitle B) is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete not later than 20 days after the Secretary has received such application.

(B)(i) Not later than 10 calendar days after the Secretary receives an application for an operating loan or loan guarantee under subtitle B, the Secretary shall notify the applicant of any information required before a decision may be made on the application. On receipt of an application, the Secretary shall request from other

parties such information as may be needed in connection with the application.

(ii) Not later than 15 calendar days after the date an agency of the Department of Agriculture receives a request for information made pursuant to clause (i), the agency shall provide the Secretary with the requested information.

(iii) If, not later than 20 calendar days after the date a request is made pursuant to clause (i) with respect to an application, the Secretary has not received the information requested, the Secretary shall notify the applicant and the district office of the Farmers Home Administration, in writing, of the outstanding information.

(iv) A county office shall notify the district office of the Farmers Home Administration of each application for an operating loan or loan guarantee under subtitle B that is pending more than 45 days after receipt, and the reasons the application is pending.

(v) A district office that receives a notice provided under clause (iv) with respect to an application shall immediately take steps to ensure that final action is taken on the application not later than 15 days after the date of the receipt of the notice.

(vi) The district office shall report to the State office of the Farmers Home Administration on each application for an operating loan or loan guarantee under subtitle B that is pending more than 45 days after receipt by the county committee, and the reasons the application is pending.

(vii) Each month, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on a State-by-State basis, as to each application for an operating loan or loan guarantee under subtitle B on which final action had not been taken within 60 calendar days after receipt by the Secretary, and the reasons final action had not been taken.

(3) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).

(4)(A) Notwithstanding paragraph (1), each application for a loan or loan guarantee under section 310B(a), or for a loan under section 306(a), that is to be disapproved by the Secretary solely because the Secretary lacks the necessary amount of funds to make the loan or guarantee shall not be disapproved but shall be placed in pending status.

(B) The Secretary shall retain the pending application and reconsider the application beginning on the date that sufficient funds become available.

(C) Not later than 60 days after funds become available regarding each pending application, the Secretary shall notify the applicant of the approval or disapproval of funding for the application.

(b)(1) Except as provided in paragraph (2), if an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant not later than 15 days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary.

(2) If the Secretary is unable to provide the loan proceeds to the applicant within such 15-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable

(but in no event later than 15 days unless the applicant agrees to a longer period) after sufficient funds for such purpose become available to the Secretary.

(c) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, but such action is subsequently reversed or revised as the result of an appeal within the Department of Agriculture or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall act on the application and provide the applicant with notice of the action within 15 days after return of the application to the Secretary.

(d) In carrying out the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under such program is reviewed, and a decision made on the application, not later than 15 days after the Secretary has received a complete application for such designation.

(e)(1) As soon as practicable after the date of enactment of the Food Security Act of 1985, the Secretary shall take such steps as are necessary to make personnel, including the payment of overtime for such personnel, and other resources of the Department of Agriculture available to the Farmers Home Administration as are sufficient to enable the Farmers Home Administration to expeditiously process loan applications that are submitted by farmers and ranchers.

(2) In carrying out paragraph (1), the Secretary may use any authority of law provided to the Secretary, including—

(A) the Agricultural Credit Insurance Fund established under section 309; and

(B) the employment procedures used in connection with the emergency loan program established under subtitle C.

(f)(1) As used in this subsection:

(A) The term “approved lender” means a lender approved prior to the date of enactment of this subsection by the Secretary under the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations (as in effect on January 1, 1991), or a lender certified under section [114] 339.

(B) The term “seasoned direct loan borrower” means a borrower receiving a direct loan under this title who has been classified as “commercial” or “standard” under subpart W of part 2006 of the Instruction Manual (as in effect on January 1, 1991).

(2) The Secretary, or a contracting third party, shall annually review under section 360 the loans of each seasoned loan borrower. If, based on the review, it is determined that a borrower would be able to obtain a loan, guaranteed by the Secretary, from a commercial or cooperative lender at reasonable rates and terms for loans for similar purposes and periods of time, the Secretary shall assist the borrower in applying for the commercial or cooperative loan.

(3) In accordance with section 362, the Secretary shall prepare a prospectus on each seasoned direct loan borrower determined eligible to obtain a guaranteed loan. The prospectus shall contain a description of the amounts of loan guarantee and interest assist-

ance that the Secretary will provide to the seasoned direct loan borrower to enable the seasoned direct loan borrower to carry out a financially viable farming plan if a guaranteed loan is made.

(4) VERIFICATION.—

(A) IN GENERAL.—The Secretary shall provide a prospectus of a seasoned direct loan borrower to each approved lender whose lending area includes the location of the seasoned direct loan borrower.

(B) NOTIFICATION.—The Secretary shall notify each borrower of a loan that a prospectus has been provided to a lender under subparagraph (A).

(C) CREDIT EXTENDED.—If the Secretary receives an offer from an approved lender to extend credit to the seasoned direct loan borrower under terms and conditions contained in the prospectus, the seasoned direct loan borrower shall not be eligible for an insured loan from the Secretary under subtitle A or B, except as otherwise provided in this subsection.

(5) If the Secretary is unable to provide loan guarantees and, if necessary, interest assistance to the seasoned direct loan borrower under this subsection in amounts sufficient to enable the seasoned direct loan borrower to borrow from commercial sources the amount required to carry out a financially viable farming plan, or if the Secretary does not receive an offer from an approved lender to extend credit to a seasoned direct loan borrower under the terms and conditions contained in the prospectus, the Secretary shall make an insured loan to the seasoned direct loan borrower under subtitle A or B, whichever is applicable.

(6) To the extent necessary for the borrower to obtain a loan, guaranteed by the Secretary, from a commercial or cooperative lender, the Secretary shall provide interest rate reductions as provided for under section 351.

(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

(A) farmer program loans the principal amount of which is \$125,000 or less; and

(B) business and industry guaranteed loans under section 310B(a)(2)(A) the principal amount of which is—

(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, \$400,000 or less; and

(ii) in the case of a loan guarantee made during any subsequent fiscal year—

(I) \$400,000 or less; or

(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, \$600,000 or less.

(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) the grant award amount or principal loan amount, respectively, of which is \$300,000 or less.

(3) **ADMINISTRATION.**—In developing an application under this subsection, the Secretary shall—

(A) consult with commercial and cooperative lenders; and

(B) ensure that—

(i) the form can be completed manually or electronically, at the option of the lender;

(ii) the form minimizes the documentation required to accompany the form;

(iii) the cost of completing and processing the form is minimal; and

(iv) the form can be completed and processed in an expeditious manner.

(h) **SIMPLIFIED APPLICATION FORMS.**—Except as provided in subsection (g)(2), the Secretary shall, to the maximum extent practicable, develop a simplified application process, including a single page application if practicable, for grants and relending authorized under sections 306, 306C, 306D, 306E, 310B(b), 310B(c), 310B(e), [310B(f),] 310H, 379B, and 379E.

SEC. 333B. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

(a) **DEFINITIONS.**—In this section:

(1) **DEMONSTRATION PROGRAM.**—The term “demonstration program” means a demonstration program carried out by a qualified entity under the pilot program established in subsection (b)(1).

(2) **ELIGIBLE PARTICIPANT.**—The term “eligible participant” means a qualified beginning farmer or rancher that—

(A) lacks significant financial resources or assets; and

(B) has an income that is less than—

(i) 80 percent of the median income of the State in which the farmer or rancher resides; or

(ii) 200 percent of the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services for the State.

(3) **INDIVIDUAL DEVELOPMENT ACCOUNT.**—The term “individual development account” means a savings account described in subsection (b)(4)(A).

(4) **QUALIFIED ENTITY.**—

(A) **IN GENERAL.**—The term “qualified entity” means—

(i) 1 or more organizations—

(I) described in section 501(c)(3) of the Internal Revenue Code of 1986; and

(II) exempt from taxation under section 501(a) of such Code; or

(ii) a State, local, or tribal government submitting an application jointly with an organization described in clause (i).

(B) **NO PROHIBITION ON COLLABORATION.**—An organization described in subparagraph (A)(i) may collaborate with a financial institution or for-profit community development corporation to carry out the purposes of this section.

(b) **PILOT PROGRAM.**—

(1) **IN GENERAL.**—The Secretary shall establish a pilot program to be known as the “New Farmer Individual Develop-

ment Accounts Pilot Program” under which the Secretary shall work through qualified entities to establish demonstration programs—

- (A) of at least 5 years in duration; and
- (B) in at least 15 States.

(2) COORDINATION.—The Secretary shall operate the pilot program through, and in coordination with the farm loan programs of, the Farm Service Agency.

(3) RESERVE FUNDS.—

(A) IN GENERAL.—A qualified entity carrying out a demonstration program under this section shall establish a reserve fund consisting of a non-Federal match of 50 percent of the total amount of the grant awarded to the demonstration program under this section.

(B) FEDERAL FUNDS.—After the qualified entity has deposited the non-Federal matching funds described in subparagraph (A) in the reserve fund, the Secretary shall provide the total amount of the grant awarded under this section to the demonstration program for deposit in the reserve fund.

(C) USE OF FUNDS.—Of the funds deposited under subparagraph (B) in the reserve fund established for a demonstration program, the qualified entity carrying out the demonstration program—

- (i) may use up to 10 percent for administrative expenses; and
- (ii) shall use the remainder in making matching awards described in paragraph (4)(B)(ii)(I).

(D) INTEREST.—Any interest earned on amounts in a reserve fund established under subparagraph (A) may be used by the qualified entity as additional matching funds for, or to administer, the demonstration program.

(E) GUIDANCE.—The Secretary shall issue guidance regarding the investment requirements of reserve funds established under this paragraph.

(F) REVERSION.—On the date on which all funds remaining in any individual development account established by a qualified entity have reverted under paragraph (5)(B)(ii) to the reserve fund established by the qualified entity, there shall revert to the Treasury of the United States a percentage of the amount (if any) in the reserve fund equal to—

- (i) the amount of Federal funds deposited in the reserve fund under subparagraph (B) that were not used for administrative expenses; divided by
- (ii) the total amount of funds deposited in the reserve fund.

(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

(A) IN GENERAL.—A qualified entity receiving a grant under this section shall establish and administer individual development accounts for eligible participants.

(B) CONTRACT REQUIREMENTS.—To be eligible to receive funds under this section from a qualified entity, an eligible participant shall enter into a contract with only 1 qualified entity under which—

(i) the eligible participant agrees—

(I) to deposit a certain amount of funds of the eligible participant in a personal savings account, as prescribed by the contractual agreement between the eligible participant and the qualified entity;

(II) to use the funds described in subclause (I) only for 1 or more eligible expenditures described in paragraph (5)(A); and

(III) to complete financial training; and

(ii) the qualified entity agrees—

(I) to deposit, not later than 1 month after an amount is deposited pursuant to clause (i)(I), at least a 100-percent, and up to a 200-percent, match of that amount into the individual development account established for the eligible participant; and

(II) with uses of funds proposed by the eligible participant.

(C) LIMITATION.—

(i) IN GENERAL.—A qualified entity administering a demonstration program under this section may provide not more than \$6,000 for each fiscal year in matching funds to the individual development account established by the qualified entity for an eligible participant.

(ii) TREATMENT OF AMOUNT.—An amount provided under clause (i) shall not be considered to be a gift or loan for mortgage purposes.

(5) ELIGIBLE EXPENDITURES.—

(A) IN GENERAL.—An eligible expenditure described in this subparagraph is an expenditure—

(i) to purchase farmland or make a down payment on an accepted purchase offer for farmland;

(ii) to make mortgage payments on farmland purchased pursuant to clause (i), for up to 180 days after the date of the purchase;

(iii) to purchase breeding stock, fruit or nut trees, or trees to harvest for timber; and

(iv) for other similar expenditures, as determined by the Secretary.

(B) TIMING.—

(i) IN GENERAL.—An eligible participant may make an eligible expenditure at any time during the 2-year period beginning on the date on which the last matching funds are provided under paragraph (4)(B)(ii)(I) to the individual development account established for the eligible participant.

(ii) UNEXPENDED FUNDS.—At the end of the period described in clause (i), any funds remaining in an individual development account established for an eligible participant shall revert to the reserve fund of the demonstration program under which the account was established.

(c) APPLICATIONS.—

(1) IN GENERAL.—A qualified entity that seeks to carry out a demonstration program under this section may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may prescribe.

(2) CRITERIA.—In considering whether to approve an application to carry out a demonstration program under this section, the Secretary shall assess—

(A) the degree to which the demonstration program described in the application is likely to aid eligible participants in successfully pursuing new farming opportunities;

(B) the experience and ability of the qualified entity to responsibly administer the demonstration program;

(C) the experience and ability of the qualified entity in recruiting, educating, and assisting eligible participants to increase economic independence and pursue or advance farming opportunities;

(D) the aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the demonstration program as matching contributions;

(E) the adequacy of the plan of the qualified entity to provide information relevant to an evaluation of the demonstration program; and

(F) such other factors as the Secretary considers to be appropriate.

(3) PREFERENCES.—In considering an application to conduct a demonstration program under this section, the Secretary shall give preference to an application from a qualified entity that demonstrates—

(A) a track record of serving clients targeted by the program, including, as appropriate, socially disadvantaged farmers or ranchers (as defined in section 355(e)(2)); and

(B) expertise in dealing with financial management aspects of farming.

(4) APPROVAL.—Not later than 1 year after the date of enactment of this section, in accordance with this section, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration programs as the Secretary considers appropriate.

(5) TERM OF AUTHORITY.—If the Secretary approves an application to carry out a demonstration program, the Secretary shall authorize the applicant to carry out the project for a period of 5 years, plus an additional 2 years to make eligible expenditures in accordance with subsection (b)(5)(B).

(d) GRANT AUTHORITY.—

(1) IN GENERAL.—The Secretary shall make a grant to a qualified entity authorized to carry out a demonstration program under this section.

(2) MAXIMUM AMOUNT OF GRANTS.—The aggregate amount of grant funds provided to a demonstration program carried out under this section shall not exceed \$250,000.

(3) TIMING OF GRANT PAYMENTS.—The Secretary shall pay the amounts awarded under a grant made under this section—

(A) on the awarding of the grant; or

(B) pursuant to such payment plan as the qualified entity may specify.

(e) REPORTS.—

(1) ANNUAL PROGRESS REPORTS.—

(A) IN GENERAL.—Not later than 60 days after the end of the calendar year in which the Secretary authorizes a qualified entity to carry out a demonstration program under this section, and annually thereafter until the conclusion of the demonstration program, the qualified entity shall prepare an annual report that includes, for the period covered by the report—

(i) an evaluation of the progress of the demonstration program;

(ii) information about the demonstration program, including the eligible participants and the individual development accounts that have been established; and

(iii) such other information as the Secretary may require.

(B) SUBMISSION OF REPORTS.—A qualified entity shall submit each report required under subparagraph (A) to the Secretary.

(2) REPORTS BY THE SECRETARY.—Not later than 1 year after the date on which all demonstration programs under this section are concluded, the Secretary shall submit to Congress a final report that describes the results and findings of all reports and evaluations carried out under this section.

(f) ANNUAL REVIEW.—The Secretary may conduct an annual review of the financial records of a qualified entity—

(1) to assess the financial soundness of the qualified entity; and

(2) to determine the use of grant funds made available to the qualified entity under this section.

(g) REGULATIONS.—In carrying out this section, the Secretary may promulgate regulations to ensure that the program includes provisions for—

(1) the termination of demonstration programs;

(2) control of the reserve funds in the case of such a termination;

(3) transfer of demonstration programs to other qualified entities; and

(4) remissions from a reserve fund to the Secretary in a case in which a demonstration program is terminated without transfer to a new qualified entity.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2008 through [2018] 2023.

* * * * *

SEC. 339. RULES AND REGULATIONS.

(a) IN GENERAL.—The Secretary is authorized to make such rules and regulations, prescribe the terms and conditions for making or insuring loans, security instruments and agreements, except as otherwise specified herein, and make such delegations of authority as he deems necessary to carry out this title.

(b) DEBT SERVICE MARGIN REQUIREMENTS.—Notwithstanding subsection (a), in providing farmer program loan guarantees under this title, the Secretary shall consider the income of the borrower adequate if the income is equal to or greater than the income necessary—

(1) to make principal and interest payments on all debt obligations of the borrower, in a timely manner;

(2) to cover the necessary living expenses of the family of the borrower; and

(3) to pay all other obligations and expenses of the borrower not financed through debt obligations referred to in paragraph (1).

(c) CERTIFIED LENDERS PROGRAM.—

(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall guarantee loans for any purpose specified in subtitle B that are made by lending institutions certified by the Secretary.

(2) CERTIFICATION REQUIREMENTS.—The Secretary shall certify a lending institution that meets such criteria as the Secretary may prescribe in regulations, including the ability of the institution to properly make, service, and liquidate the loans of the institution.

(3) CONDITION OF CERTIFICATION.—As a condition of the certification, the Secretary shall require the institution to undertake to service the loans guaranteed by the Secretary under this subsection, using standards that are not less stringent than generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each certified lender to ensure that the conditions of the certification are being met.

(4) EFFECT OF CERTIFICATION.—Notwithstanding any other provision of law:

(A) The Secretary shall guarantee 80 percent of a loan made under this subsection by a certified lending institution as described in paragraph (1), subject to county committee certification that the borrower of the loan meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title.

(B) With respect to loans to be guaranteed by the Secretary under this subsection, the Secretary shall permit certified lending institutions to make appropriate certifications (as provided by regulations issued by the Secretary)—

(i) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of farm operation; and

(ii) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

(C) The Secretary shall approve or disapprove a guarantee not later than 14 calendar days after the date that the lending institution applied to the Secretary for the guarantee. If the Secretary rejects the loan application

within the 14-day period, the Secretary shall state, in writing, all of the reasons the application was rejected.

(5) RELATIONSHIP TO OTHER REQUIREMENTS.—Neither this subsection nor subsection (d) shall affect the responsibility of the Secretary to certify eligibility, review financial information, and otherwise assess an application.

(d) PREFERRED CERTIFIED LENDERS PROGRAM.—

(1) IN GENERAL.—Commencing not later than two years after the date of enactment of the Agricultural Credit Improvement Act of 1992, the Secretary shall establish a Preferred Certified Lenders Program for lenders who establish their—

(A) knowledge of, and experience under, the program established under subsection (c);

(B) knowledge of the regulations concerning the guaranteed loan program; and

(C) proficiency related to the certified lender program requirements.

The Secretary shall certify any lending institution as a Preferred Certified Lender that meets such criteria as the Secretary may prescribe by regulation.

(2) REVOCATION OF DESIGNATION.—The designation of a lender as a Preferred Certified Lender shall be revoked at any time that the Secretary determines that such lender is not adhering to the rules and regulations applicable to the program or if the loss experiences of a Preferred Certified Lender are excessive as compared to other Preferred Certified Lenders, except that such suspension or revocation shall not affect any outstanding guarantee.

(3) CONDITION OF CERTIFICATION.—As a condition of such preferred certification, the Secretary shall require the institution to undertake to service the loans guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders. The Secretary shall, at least annually, monitor the performance of each [preferred certified lender] *Preferred Certified Lender* to ensure that the conditions of such certification are being met.

(4) EFFECT OF PREFERRED LENDER CERTIFICATION.—Notwithstanding any other provision of law, the Secretary shall—

(A) guarantee 80 percent of an approved loan made by a certified lending institution as described in this subsection, subject to county committee certification that the borrower meets the eligibility requirements or such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title;

(B) permit certified lending institutions to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to credit worthiness, the closing, monitoring, collection and liquidation of loans, and to accept appropriate certifications, as provided by regulations issued by the Secretary, that the borrower is in compliance with all requirements of law or regulations promulgated by the Secretary; and

(C) be deemed to have guaranteed 80 percent of a loan made by a preferred certified lending institution as de-

scribed in paragraph (1), if the Secretary fails to approve or reject the application of such institution within 14 calendar days after the date that the lending institution presented the application to the Secretary. If the Secretary rejects the application within the 14-day period, the Secretary shall state, in writing, the reasons the application was rejected.

(e) ADMINISTRATION OF CERTIFIED LENDERS AND PREFERRED CERTIFIED LENDERS PROGRAMS.—The Secretary may administer the loan guarantee programs under subsections (c) and (d) through central offices established in States or in multi-State areas.

* * * * *

SEC. 343. (a) As used in this title:

(1) The term “farmer” includes a person who is engaged in, or who, with assistance afforded under this title, intends to engage in, fish farming.

(2) The term “farming” shall be deemed to include fish farming.

(3) The term “owner-operator” shall include in the State of Hawaii the lessee-operator of real property in any case in which the Secretary determines that such real property cannot be acquired in fee simple by such lessee-operator, that adequate security is provided for the loan with respect to such real property for which such lessee-operator applies under this title, and that there is a reasonable probability of accomplishing the objectives and repayment of such loan.

(4) The word “insure” as used in this title includes guarantee, which means to guarantee the payment of a loan originated, held, and serviced by a private financial agency or other lender approved by the Secretary.

(5) The term “contract of insurance” includes a contract of guarantee.

(6) The terms “United States” and “State” shall include each of the several States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and, to the extent the Secretary determines it to be feasible and appropriate, the Trust Territory of the Pacific Islands.

(7) The term “joint operation” means a joint farming operation in which two or more farmers work together sharing equally or unequally land, labor, equipment, expenses, and income.

(8) The term “beginning farmer or rancher” means such term as defined by the Secretary.

(9) The term “direct loan” means a loan made or insured from funds in the account created by section 309.

(10) The term “farmer program loan” means a farm ownership loan (FO) under section 303, operating loan (OL) under section 312, soil and water loan (SW) under section 304, emergency loan (EM) under section 321, economic emergency loan (EE) under section 202 of the Emergency Agricultural Credit Adjustment Act (title II of Public Law 95-334), economic opportunity loan (EO) under the Economic Opportunity Act of 1961 (42 U.S.C. 2942), softwood timber loan (ST) under section 1254 of the Food Security Act of 1985, or rural housing loan for farm

service buildings (RHF) under section 502 of the Housing Act of 1949.

(11) The term “qualified beginning farmer or rancher” means an applicant, regardless of whether the applicant is participating in a program under section 310E—

(A) who is eligible for assistance under this title;

(B) who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 years;

(C) in the case of a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, who has members, stockholders, partners, [or joint operators] *joint operator, or owners* who are all related to one another by blood or marriage;

(D)(i) in the case of an owner and operator of a farm or ranch, who—

(I) in the case of a loan made to an individual, individually or with the immediate family of the applicant—

(aa) materially and substantially participates in the operation of the farm or ranch; and

(bb) provides substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the State or county in which the farm or ranch is located; or

(II)(aa) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, has members, stockholders, partners, joint operators, or owners, materially and substantially participate in the operation of the farm or ranch; and

(bb) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or other such legal entity as the Secretary considers appropriate, has members, stockholders, partners, or joint operators, all of whom are qualified beginning farmers or ranchers; and

(ii) in the case of an applicant seeking to own and operate a farm or ranch, who—

(I) in the case of a loan made to an individual, individually or with the immediate family of the applicant, will—

(aa) materially and substantially participate in the operation of the farm or ranch; and

(bb) provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the State or county in which the farm or ranch is located; or

(II)(aa) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, will have members, stockholders, partners, joint operators, or owners, materially and substantially participate in the operation of the farm or ranch; and

(bb) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or other such

legal entity as the Secretary considers appropriate, has members, stockholders, partners, or joint operators, all of whom are qualified beginning farmers or ranchers;

(E) who agrees to participate in such loan assessment, borrower training, and financial management programs as the Secretary may require;

(F) who does not own land or who, directly or through interests in family farm corporations, owns land, the aggregate acreage of which does not exceed 30 percent of the average acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture, except that this subparagraph shall not apply to a loan made or guaranteed under subtitle B; and

(G) who demonstrates that the available resources of the applicant and spouse (if any) of the applicant are not sufficient to enable the applicant to continue farming or ranching on a viable scale.

(12) DEBT FORGIVENESS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “debt forgiveness” means reducing or terminating a farmer program loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

(i) writing down or writing off a loan under section 353;

(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

(iii) paying a loss on a guaranteed loan under section 357; or

(iv) discharging a debt as a result of bankruptcy.

(B) EXCEPTIONS.—The term “debt forgiveness” does not include—

(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.

(13) RURAL AND RURAL AREA.—

(A) IN GENERAL.—Subject to subparagraphs (B) through [(G)] (H), the terms “rural” and “rural area” mean any area other than—

(i) a city or town that has a population of greater than 50,000 inhabitants; and

(ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).

(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT [AND GUARANTEED] LOANS.—For the purpose of water and waste disposal grants and direct [and guaranteed] loans provided under paragraphs [(1), (2), and (24)] (1) and (2) of section 306(a), the terms “rural” and “rural area” mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct [and guaranteed] loans and grants under paragraphs (1), (19), (20), [(21), and (24)] and (21) of section 306(a), the terms “rural” and “rural area” mean any area other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.

(D) AREAS RURAL IN CHARACTER.—

(i) APPLICATION.—This subparagraph applies to—

(I) an urbanized area described in subparagraphs (A)(ii) and (F) that—

(aa) has 2 points on its boundary that are at least 40 miles apart; and

(bb) is not contiguous or adjacent to a city or town that has a population of greater than 150,000 inhabitants or an urbanized area of such city or town; and

(II) an area within an urbanized area described in subparagraphs (A)(ii) and (F) that is within ¼-mile of a rural area described in subparagraph (A).

(ii) DETERMINATION.—Notwithstanding any other provision of this paragraph, on the petition of a unit of local government in an area described in clause (i) or on the initiative of the Under Secretary for Rural Development, the Under Secretary may determine that a part of an area described in clause (i) is a rural area for the purposes of this paragraph, if the Under Secretary finds that the part is rural in character, as determined by the Under Secretary.

(iii) ADMINISTRATION.—In carrying out this subparagraph, the Under Secretary for Rural Development shall—

(I) not delegate the authority to carry out this subparagraph;

(II) consult with the applicable rural development State or regional director of the Department of Agriculture and the governor of the respective State;

(III) provide to the petitioner an opportunity to appeal to the Under Secretary a determination made under this subparagraph;

(IV) release to the public notice of a petition filed or initiative of the Under Secretary under this subparagraph not later than 30 days after receipt of the petition or the commencement of the initiative, as appropriate;

(V) make a determination under this subparagraph not less than 15 days, and not more than 60 days, after the release of the notice under subclause (IV);

(VI) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Sen-

ate an annual report on actions taken to carry out this subparagraph; and

(VII) terminate a determination under this subparagraph that part of an area is a rural area on the date that data is available for the next decennial census conducted under section 141(a) of title 13, United States Code.

(E) EXCLUSIONS.—Notwithstanding any other provision of this paragraph, in determining which census blocks in an urbanized area are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census blocks that would otherwise be considered not in a rural area only because the cluster is adjacent to not more than 2 census blocks that are otherwise considered not in a rural area under this paragraph.

(F) URBAN AREA GROWTH.—

(i) APPLICATION.—This subparagraph applies to—

(I) any area that—

(aa) is a collection of census blocks that are contiguous to each other;

(bb) has a housing density that the Secretary estimates is greater than 200 housing units per square mile; and

(cc) is contiguous or adjacent to an existing boundary of a rural area; and

(II) any urbanized area contiguous and adjacent to a city or town described in subparagraph (A)(i).

(ii) ADJUSTMENTS.—The Secretary may, by regulation only, consider—

(I) an area described in clause (i)(I) not to be a rural area for purposes of subparagraphs (A) and (C); and

(II) an area described in clause (i)(II) not to be a rural area for purposes of subparagraph (C).

(iii) APPEALS.—A program applicant may appeal an estimate made under clause (i)(I) based on appropriate data for an area, as determined by the Secretary.

(G) HAWAII AND PUERTO RICO.—Notwithstanding any other provision of this paragraph, within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any part of the areas as a rural area if the Secretary determines that the part is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place.

(H) EXCLUSION OF POPULATIONS INCARCERATED ON A LONG-TERM BASIS.—Populations of individuals incarcerated on a long-term or regional basis shall not be included in determining whether an area is “rural” or a “rural area”.

(b) As used in sections [307(e)] 307(d), 331D, 335 (e) and (f), 338(b), 352 (b) and (c), 353, and 357:

(1) The term “borrower” means any farm borrower who has outstanding obligations to the Secretary under any farmer program loan, without regard to whether the loan has been accelerated, but does not include any farm borrower all of whose

loans and accounts have been foreclosed on or liquidated, voluntarily or otherwise.

(2) The term “loan service program” means, with respect to a farmer program borrower, a primary loan service program or a preservation loan service program.

(3) The term “primary loan service program” means—

(A) loan consolidation, rescheduling, or reamortization;

(B) interest rate reduction, including the use of the limited resource program;

(C) loan restructuring, including deferral, set aside, or writing down of the principal or accumulated interest charges, or both, of the loan; or

(D) any combination of actions described in subparagraphs (A), (B), and (C).

(4) PRESERVATION LOAN SERVICE PROGRAM.—The term “preservation loan service program” means homestead retention as authorized under section 352.

* * * * *

SEC. 346. (a) Effective October 1, 1979, the aggregate principal amount of loans under the programs authorized under each subtitle of this title during each three-year period thereafter shall not exceed such amounts as may be authorized by law after the date of enactment of this section. There shall be two amounts so established for each of such programs and for any maximum levels provided in appropriation Acts for the programs authorized under this title, one against which direct and insured loans shall be charged and the other against which guaranteed loans shall be charged[.].

(b) AUTHORIZATION FOR LOANS.—

(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than \$4,226,000,000 for each of fiscal years 2008 through [2018] 2023, of which, for each fiscal year—

(A) \$1,200,000,000 shall be for direct loans, of which—

(i) \$350,000,000 shall be for farm ownership loans under subtitle A; and

(ii) \$850,000,000 shall be for operating loans under subtitle B; and

(B) \$3,026,000,000 shall be for guaranteed loans, of which—

(i) \$1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

(ii) \$2,026,000,000 shall be for guarantees of operating loans under subtitle B.

(2) BEGINNING FARMERS AND RANCHERS.—

(A) DIRECT LOANS.—

(i) FARM OWNERSHIP LOANS.—

(I) IN GENERAL.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve an amount that is not less than 75 percent of the total amount for qualified beginning farmers and ranchers.

(II) DOWN PAYMENT LOANS; JOINT FINANCING ARRANGEMENTS.—Of the amounts reserved for a fis-

cal year under subclause (I), the Secretary shall reserve an amount not less than $\frac{2}{3}$ of the amount for the down payment loan program under section 310E and joint financing arrangements under section 307(a)(3)(D) until April 1 of the fiscal year.

(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers and ranchers—

(I) for each of fiscal years 1996 through 1998, 25 percent;

(II) for fiscal year 1999, 30 percent; and

(III) for each of fiscal years 2008 through [2018] 2023, an amount that is not less than 50 percent.

(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Except as provided in clause (i)(II), funds reserved for qualified beginning farmers or ranchers under this subparagraph for a fiscal year shall be reserved only until September 1 of the fiscal year.

(B) GUARANTEED LOANS.—

(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guarantees of farm ownership loans, the Secretary shall reserve an amount that is not less than 40 percent of the total amount for qualified beginning farmers and ranchers.

(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guarantees of operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers and ranchers.

(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for qualified beginning farmers or ranchers under this subparagraph for a fiscal year shall be reserved only until April 1 of the fiscal year.

(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS AND RANCHERS.—If a qualified beginning farmer or rancher meets the eligibility criteria for receiving a direct or guaranteed loan under section 302, 310E, or 311, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

(3) TRANSFER FOR DOWN PAYMENT LOANS.—

(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraph (B)—

beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to provide direct farm ownership loans approved by the Secretary to qualified beginning farmers and ranchers under the down payment loan program established under section 310E, if sufficient direct farm ownership loan funds are not otherwise available; and

(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to provide direct farm own-

ership loans approved by the Secretary to qualified beginning farmers and ranchers, if sufficient direct farm ownership loan funds are not otherwise available.

(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

(A) IN GENERAL.—Notwithstanding subsection (a), subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available funds made available under subtitle C for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) shall not apply to any funds made available to the Secretary for any fiscal year under an Act making supplemental appropriations.

(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

(c) The Secretary shall develop long-term cost projections for loan program authorizations required under subsection (a) of this section. Each such projection shall include analyses of (1) the long-term costs of the lending levels that the Secretary requests to be authorized under subsection (a) of this section and (2) the long-term costs for increases in lending levels beyond those requested to be authorized, based on increments of \$10,000,000 or such other levels as the Secretary deems appropriate. Long-term cost projections for the three-year period beginning with fiscal year 1983 and each three-year period thereafter shall be submitted to the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations at the time the requests for authorizations for those periods are submitted to Congress. Not later than fifteen days after the date of enactment of this subsection the Secretary shall submit to such committees long-term cost projections covering authorized lending levels for the loan programs for fiscal years 1981 and 1982.

(d)(1) Notwithstanding any other provision of law, not less than 25 per centum of the loans for farm ownership purposes under subtitle A of this title, and not less than 25 per centum of the loans for farm operating purposes under subtitle B of this title, authorized to be insured, or made to be sold and insured, from the Agricultural Credit Insurance Fund during each fiscal year shall be for low-income, limited-resource borrowers.

(2) The Secretary shall provide notification to farm borrowers under this title, as soon as practicable after the date of enactment of the Emergency Agricultural Credit Act of 1984 and in the normal course of loan making and loan servicing operations, of the provisions of this title relating to low-income, limited-resource bor-

rowers and the procedures by which persons may apply for loans under the low-income, limited-resource borrower program.

* * * * *

SEC. 378. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

(a) DEFINITIONS.—In this section:

(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term “agency with rural responsibilities” means any executive agency (as defined in section 105 of title 5, United States Code) that implements a Federal law, or administers a program, targeted at or having a significant impact on rural areas.

(2) COORDINATING COMMITTEE.—The term “Coordinating Committee” means the National Rural Development Coordinating Committee established by subsection (c).

(3) PARTNERSHIP.—The term “Partnership” means the National Rural Development Partnership continued by subsection (b).

(4) STATE RURAL DEVELOPMENT COUNCIL.—The term “State rural development council” means a State rural development council that meets the requirements of subsection (d).

(b) PARTNERSHIP.—

(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

- (A) the Coordinating Committee; and
- (B) State rural development councils.

(2) PURPOSES.—The purposes of the Partnership are to empower and build the capacity of States and rural communities to design flexible and innovative responses to their own special rural development needs, with local determinations of progress and selection of projects and activities.

(3) GOVERNING PANEL.—

(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership may be that of a partner and facilitator, with Federal agencies authorized—

(A) to cooperate with States to implement the Partnership;

(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

(C) to ensure that the head of each agency with rural responsibilities designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

- (D) to enter into cooperative agreements with, and to provide grants and other assistance to, the Coordinating Committee and State rural development councils.
- (c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—
- (1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee within the Department of Agriculture.
- (2) COMPOSITION.—The Coordinating Committee shall be composed of—
- (A) 1 representative of each agency with rural responsibilities; and
- (B) representatives, approved by the Secretary, of—
- (i) national associations of State, regional, local, and tribal governments and intergovernmental and multi-jurisdictional agencies and organizations;
- (ii) national public interest groups;
- (iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and
- (iv) the private sector.
- (3) DUTIES.—The Coordinating Committee shall—
- (A) support the work of the State rural development councils;
- (B) facilitate coordination of rural development policies, programs, and activities among Federal agencies and with those of State, local, and tribal governments, the private sector, and nonprofit organizations;
- (C) review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas and gather and provide related information;
- (D) develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and
- (E) require each State rural development council receiving funds under this section to submit an annual report on the use of the funds, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.
- (4) FEDERAL PARTICIPATION IN COORDINATING COMMITTEE.—
- (A) IN GENERAL.—A Federal employee shall fully participate in the governance and operations of the Coordinating Committee, including activities related to grants, contracts, and other agreements, in accordance with this section.
- (B) CONFLICTS.—Participation by a Federal employee in the Coordinating Committee in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.
- (5) ADMINISTRATIVE SUPPORT.—The Secretary may provide such administrative support for the Coordinating Committee as the Secretary determines is necessary to carry out the duties of the Coordinating Committee.
- (6) PROCEDURES.—The Secretary may prescribe such regulations, bylaws, or other procedures as are necessary for the operation of the Coordinating Committee.
- (d) STATE RURAL DEVELOPMENT COUNCILS.—

- (1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to recognize a State rural development council.
- (2) COMPOSITION.—A State rural development council shall—
- (A) be composed of representatives of Federal, State, local, and tribal governments, nonprofit organizations, regional organizations, the private sector, and other entities committed to rural advancement; and
- (B) have a nonpartisan and nondiscriminatory membership that—
- (i) is broad and representative of the economic, social, and political diversity of the State; and
- (ii) shall be responsible for the governance and operations of the State rural development council.
- (3) DUTIES.—A State rural development council shall—
- (A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the State;
- (B) monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the State;
- (C) as part of the Partnership, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments; and
- (D)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and
- (ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.
- (4) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—
- (A) IN GENERAL.—A State Director for Rural Development of the Department of Agriculture, other employees of the Department, and employees of other Federal agencies with rural responsibilities shall fully participate as voting members in the governance and operations of State rural development councils (including activities related to grants, contracts, and other agreements in accordance with this section) on an equal basis with other members of the State rural development councils.
- (B) CONFLICTS.—Participation by a Federal employee in a State rural development council in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.
- (e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—
- (1) DETAIL OF EMPLOYEES.—
- (A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail to the Secretary for the support of the Partnership 1 or more employees of

the agency with rural responsibilities without reimbursement for a period of up to 1 year.

(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

(2) ADDITIONAL SUPPORT.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

(3) INTERMEDIARIES.—The Secretary may enter into a contract with a qualified intermediary under which the intermediary shall be responsible for providing administrative and technical assistance to a State rural development council, including administering the financial assistance available to the State rural development council.

(f) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received from a Federal agency under subsection (g)(2).

(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

(A) to support 1 or more specific program or project activities; or

(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

(3) DEPARTMENT'S SHARE.—The Secretary shall develop a plan to decrease, over time, the share of the Department of Agriculture of the cost of the core operations of State rural development councils.

(g) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2008 through **[2018]** 2023.

(2) FEDERAL AGENCIES.—

(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency, along with other agencies, to provide funds to the Coordinating Committee or a State rural development council in order to carry out the purposes of this section, a Federal agency may make grants, gifts, or contributions to, provide technical assistance to, or enter into contracts or cooperative agreements with, the Coordinating Committee or a State rural development council.

(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that have an im-

pact on rural areas to provide assistance to, and enter into contracts with, the Coordinating Committee or a State rural development council, as described in subparagraph (A).

(3) CONTRIBUTIONS.—The Coordinating Committee and a State rural development council may accept private contributions.

(h) TERMINATION.—The authority provided under this section shall terminate on September 30, [2018] 2023.

[SEC. 379. RURAL TELEWORK.

[(a) DEFINITIONS.—In this section:

[(1) ELIGIBLE ORGANIZATION.—The term “eligible organization” means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization, in a rural area (except for the institute), that meets the requirements of this section and such other requirements as are established by the Secretary.

[(2) INSTITUTE.—The term “institute” means a rural telework institute established using a grant under subsection (b).

[(3) TELEWORK.—The term “telework” means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

[(b) RURAL TELEWORK INSTITUTE.—

[(1) IN GENERAL.—The Secretary shall make 1 or more grants to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (2).

[(2) PROJECTS.—The institute shall use grant funds received under this subsection to carry out a 5-year project—

[(A) to serve as a clearinghouse for telework research and development;

[(B) to conduct outreach to rural communities and rural workers;

[(C) to develop and share best practices in rural telework throughout the United States;

[(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

[(E) to share information about the design and implementation of telework arrangements;

[(F) to support private sector businesses that are transitioning to telework;

[(G) to support and assist telework projects and individuals at the State and local level; and

[(H) to perform such other functions as the Secretary considers appropriate.

[(3) NON-FEDERAL SHARE.—

[(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

[(i) during each of the first, second, and third years of a project, 30 percent of the amount of the grant; and
 [(ii) during each of the fourth and fifth years of the project, 50 percent of the amount of the grant.

[(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use any Federal funds made available to the Indian tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

[(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services.

[(c) TELEWORK GRANTS.—

[(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible organizations to pay the Federal share of the cost of—

[(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

[(B) operating telework locations in rural areas.

[(2) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible organization shall submit to the Secretary, and receive the approval of the Secretary of, an application for the grant that demonstrates that the eligible organization has adequate resources and capabilities to establish or expand a telework location in a rural area.

[(3) NON-FEDERAL SHARE.—

[(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

[(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

[(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

[(i) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services; and

[(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

[(4) DURATION.—The Secretary may not provide a grant under this subsection to expand or operate a telework location in a rural area after the date that is 3 years after the establishment of the telework location.

[(5) AMOUNT.—The amount of a grant provided to an eligible organization under this subsection shall be not less than \$1,000,000 and not more than \$2,000,000.

[(d) **APPLICABILITY OF CERTAIN FEDERAL LAW.**—An eligible organization that receives funds under this section shall be subject to the provisions of Federal law (including regulations) administered by the Secretary of Labor or the Equal Employment Opportunity Commission that govern the responsibilities of employers to employees.

[(e) **REGULATIONS.**—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

[(f) **AUTHORIZATION OF APPROPRIATION.**—There is authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2002 through 2007, of which \$5,000,000 shall be provided to establish and support an institute under subsection (b).

[SEC. 379A. HISTORIC BARN PRESERVATION.

[(a) **DEFINITIONS.**—In this section:

[(1) **BARN.**—The term “barn” means a building (other than a dwelling) on a farm, ranch, or other agricultural operation for—

[(A) housing animals;

[(B) storing or processing crops;

[(C) storing and maintaining agricultural equipment; or

[(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

[(2) **ELIGIBLE APPLICANT.**—The term “eligible applicant” means—

[(A) a State department of agriculture (or a designee);

[(B) a national or State nonprofit organization that—

[(i) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

[(ii) has experience or expertise, as determined by the Secretary, in the identification, evaluation, rehabilitation, preservation, or protection of historic barns; and

[(C) a State historic preservation office.

[(3) **HISTORIC BARN.**—The term “historic barn” means a barn that—

[(A) is at least 50 years old;

[(B) retains sufficient integrity of design, materials, and construction to clearly identify the barn as an agricultural building; and

[(C) meets the criteria for listing on National, State, or local registers or inventories of historic structures.

[(4) **SECRETARY.**—The term “Secretary” means the Secretary, acting through the Under Secretary of Rural Development.

[(b) **PROGRAM.**—The Secretary shall establish a historic barn preservation program—

[(1) to assist States in developing a list of historic barns;

[(2) to collect and disseminate information on historic barns;

[(3) to foster educational programs relating to the history, construction techniques, rehabilitation, and contribution to society of historic barns; and

[(4) to sponsor and conduct research on—

[(A) the history of barns; and

[(B) best practices to protect and rehabilitate historic barns from the effects of decay, fire, arson, and natural disasters.

[(c) GRANTS.—

[(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts or cooperative agreements with, eligible applicants to carry out an eligible project under paragraph (2).

[(2) ELIGIBLE PROJECTS.—A grant under this subsection may be made to an eligible applicant for a project—

[(A) to rehabilitate or repair historic barns;

[(B) to preserve historic barns through—

[(i) the installation of a fire protection system, including fireproofing or fire detection system and sprinklers; and

[(ii) the installation of a system to prevent vandalism; and

[(C) to identify, document, and conduct research on historic barns (including surveys) to develop and evaluate appropriate techniques or best practices for protecting historic barns.

[(3) PRIORITY.—In making grants under this subsection, the Secretary shall give the highest priority to funding projects described in paragraph (2)(C).

[(4) REQUIREMENTS.—An eligible applicant that receives a grant for a project under this subsection shall comply with any standards established by the Secretary of the Interior for historic preservation projects.

[(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.]

SEC. 379B. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities, and borrowers of loans made by the Rural Utilities Service, for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration.

(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

(1) a binding commitment from a tower owner to place the transmitter on a tower; and

(2) a description of how the tower placement will increase coverage of a rural area by the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration.

(c) FEDERAL SHARE.—A grant provided under this section shall be not more than 75 percent of the total cost of acquiring a radio transmitter, as described in subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 2014 through [2018] 2023.

[SEC. 379C. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

[(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, agribusinesses, State and local governments, agricultural labor organizations, farmer or rancher cooperatives, and community-based organizations with the capacity to train farm workers.

[(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

[(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2007.

[SEC. 379D. DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.

[(a) IN GENERAL.—The Secretary may make grants to assist in the development of state-of-the-art technology in animal nutrition (including research and development of the technology) and value-added manufacturing to promote an economic platform for the Delta region (as defined in section 382A) to relieve severe economic conditions.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$7,000,000 for each of fiscal years 2002 through 2007.]

SEC. 379E. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(2) MICROENTREPRENEUR.—The term “microentrepreneur” means an owner and operator, or prospective owner and operator, of a rural microenterprise who is unable to obtain sufficient training, technical assistance, or credit other than under this section, as determined by the Secretary.

(3) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term “microenterprise development organization” means an organization that—

(A) is—

(i) a nonprofit entity;

(ii) an Indian tribe, the tribal government of which certifies to the Secretary that—

(I) no microenterprise development organization serves the Indian tribe; and

(II) no rural microentrepreneur assistance program exists under the jurisdiction of the Indian tribe; or

(iii) a public institution of higher education;

(B) provides training and technical assistance to rural microentrepreneurs;

(C) facilitates access to capital or another service described in subsection (b) for rural microenterprises; and

(D) has a demonstrated record of delivering services to rural microentrepreneurs, or an effective plan to develop a

program to deliver services to rural microentrepreneurs, as determined by the Secretary.

(4) MICROLOAN.—The term “microloan” means a business loan of not more than \$50,000 that is provided to a rural microenterprise.

(5) PROGRAM.—The term “program” means the rural microentrepreneur assistance program established under subsection (b).

(6) RURAL MICROENTERPRISE.—The term “rural microenterprise” means—

(A) a sole proprietorship located in a rural area; or

(B) a business entity with not more than 10 full-time-equivalent employees located in a rural area.

(b) RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish a rural microentrepreneur assistance program to provide loans and grants to support microentrepreneurs in the development and ongoing success of rural microenterprises.

(2) PURPOSE.—The purpose of the program is to provide microentrepreneurs with—

(A) the skills necessary to establish new rural microenterprises; and

(B) continuing technical and financial assistance related to the successful operation of rural microenterprises.

(3) LOANS.—

(A) IN GENERAL.—The Secretary shall make loans to microenterprise development organizations for the purpose of providing fixed interest rate microloans to microentrepreneurs for startup and growing rural microenterprises.

(B) LOAN TERMS.—A loan made by the Secretary to a microenterprise development organization under this paragraph shall—

(i) be for a term not to exceed 20 years; and

(ii) bear an annual interest rate of at least 1 percent.

(C) LOAN LOSS RESERVE FUND.—The Secretary shall require each microenterprise development organization that receives a loan under this paragraph to—

(i) establish a loan loss reserve fund; and

(ii) maintain the reserve fund in an amount equal to at least 5 percent of the outstanding balance of such loans owed by the microenterprise development organization, until all obligations owed to the Secretary under this paragraph are repaid.

(D) DEFERRAL OF INTEREST AND PRINCIPAL.—The Secretary may permit the deferral of payments on principal and interest due on a loan to a microenterprise development organization made under this paragraph for a 2-year period beginning on the date the loan is made.

(4) GRANTS.—

(A) GRANTS TO SUPPORT RURAL MICROENTERPRISE DEVELOPMENT.—

(i) IN GENERAL.—The Secretary shall make grants to microenterprise development organizations to—

(I) provide training, operational support, business planning, and market development assistance, and other related services to rural microentrepreneurs; and

(II) carry out such other projects and activities as the Secretary determines appropriate to further the purposes of the program.

(ii) SELECTION.—In making grants under clause (i), the Secretary shall—

(I) place an emphasis on microenterprise development organizations that serve microentrepreneurs that are located in rural areas that have suffered significant outward migration, as determined by the Secretary; and

(II) ensure, to the maximum extent practicable, that grant recipients include microenterprise development organizations—

(aa) of varying sizes; and

(bb) that serve racially and ethnically diverse populations.

(B) GRANTS TO ASSIST MICROENTREPRENEURS.—

(i) IN GENERAL.—The Secretary shall make grants to microenterprise development organizations to provide marketing, management, and other technical assistance to microentrepreneurs that—

(I) received a loan from the microenterprise development organization under paragraph (3); or

(II) are seeking a loan from the microenterprise development organization under paragraph (3).

(ii) MAXIMUM AMOUNT OF GRANT.—A microenterprise development organization shall be eligible to receive an annual grant under this subparagraph in an amount equal to not more than 25 percent of the total outstanding balance of microloans made by the microenterprise development organization under paragraph (3), as of the date the grant is awarded.

(C) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of a grant received by a microenterprise development organization for a fiscal year under this paragraph may be used to pay administrative expenses.

(c) ADMINISTRATION.—

(1) COST SHARE.—

(A) FEDERAL SHARE.—Subject to subparagraph (B), the Federal share of the cost of a project funded under this section shall not exceed 75 percent.

(B) MATCHING REQUIREMENT.—As a condition of any grant made under this subparagraph, the Secretary shall require the microenterprise development organization to match not less than 15 percent of the total amount of the grant in the form of matching funds, indirect costs, or in-kind goods or services.

(C) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project funded under this section may be provided—

- (i) in cash (including through fees, grants (including community development block grants), and gifts); or
- (ii) in the form of in-kind contributions.

(2) OVERSIGHT.—At a minimum, not later than December 1 of each fiscal year, a microenterprise development organization that receives a loan or grant under this section shall provide to the Secretary such information as the Secretary may require to ensure that assistance provided under this section is used for the purposes for which the loan or grant was made.

[(d) FUNDING.—

[(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—

[(A) \$4,000,000 for each of fiscal years 2009 through 2011;

[(B) \$3,000,000 for fiscal year 2012; and

[(C) \$3,000,000 for each of fiscal years 2014 through 2018.

[(2) DISCRETIONARY FUNDING.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated to carry out this section \$40,000,000 for each of fiscal years 2009 through 2018.]

(d) FUNDING.—*There are authorized to be appropriated to carry out this section \$4,000,000 for each of fiscal years 2019 through 2023.*

[SEC. 379F. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS.

[(a) DEFINITIONS.—In this section:

[(1) INDIVIDUAL WITH A DISABILITY.—The term “individual with a disability” means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

[(2) INDIVIDUALS WITH DISABILITIES.—The term “individuals with disabilities” means more than 1 individual with a disability.

[(b) GRANTS.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, to expand and enhance employment opportunities for individuals with disabilities in rural areas.

[(c) ELIGIBILITY.—To be eligible to receive a grant under this section, a nonprofit organization or consortium of nonprofit organizations shall have—

[(1) a significant focus on serving the needs of individuals with disabilities;

[(2) demonstrated knowledge and expertise in—

[(A) employment of individuals with disabilities; and

[(B) advising private entities on accessibility issues involving individuals with disabilities;

[(3) expertise in removing barriers to employment for individuals with disabilities, including access to transportation, assistive technology, and other accommodations; and

[(4) existing relationships with national organizations focused primarily on the needs of rural areas.

[(d) USES.—A grant received under this section may be used only to expand or enhance—

[(1) employment opportunities for individuals with disabilities in rural areas by developing national technical assistance and education resources to assist small businesses in a rural area to recruit, hire, accommodate, and employ individuals with disabilities; and

[(2) self-employment and entrepreneurship opportunities for individuals with disabilities in a rural area.

[(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2008 through 2012.]

SEC. 379G. HEALTH CARE SERVICES.

(a) PURPOSE.—The purpose of this section is to address the continued unmet health needs in the Delta region through cooperation among health care professionals, institutions of higher education, research institutions, and other individuals and entities in the region.

(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term “eligible entity” means a consortium of regional institutions of higher education, academic health and research institutes, and economic development entities located in the Delta region that have experience in addressing the health care issues in the region.

(c) GRANTS.—To carry out the purpose described in subsection (a), the Secretary may award a grant to an eligible entity for –

(1) the development of –

(A) health care services;

(B) health education programs; and

(C) health care job training programs; and

(2) the development and expansion of public health-related facilities in the Delta region to address longstanding and unmet health needs of the region.

(d) USE.—As a condition of the receipt of the grant, the eligible entity shall use the grant to fund projects and activities described in subsection (c), based on input solicited from local governments, public health care providers, and other entities in the Delta region.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section, \$3,000,000 for each of fiscal years 2008 through [2018] 2023.

[SEC. 379H. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.

[(a) IN GENERAL.—In the case of any rural development program described in subsection (d)(2), the Secretary may give priority to an application for a project that, as determined and approved by the Secretary—

[(1) meets the applicable eligibility requirements of this title;

[(2) will be carried out solely in a rural area; and

[(3) supports strategic community and economic development plans on a multijurisdictional basis.

[(b) RURAL AREA.—For purposes of subsection (a)(2), the Secretary shall consider an application to be for a project that will be carried out solely in a rural area only if—

[(1) in the case of an application for a project in the rural community facilities category described in subsection (d)(2)(A),

the project will be carried out in a rural area described in section 343(a)(13)(C);

[(2) in the case of an application for a project in the rural utilities category described in subsection (d)(2)(B), the project will be carried out in a rural area described in section 343(a)(13)(B); and

[(3) in the case of an application for a project in the rural business and cooperative development category described in subsection (d)(2)(C), the project will be carried out in a rural area described in section 343(a)(13)(A).

[(c) EVALUATION.—

[(1) IN GENERAL.—In evaluating strategic applications, the Secretary shall give a higher priority to strategic applications for a plan described in subsection (a) that demonstrates to the Secretary—

[(A) the plan was developed through the collaboration of multiple stakeholders in the service area of the plan, including the participation of combinations of stakeholders such as State, local, and tribal governments, nonprofit institutions, institutions of higher education, and private entities;

[(B) an understanding of the applicable regional resources that could support the plan, including natural resources, human resources, infrastructure, and financial resources;

[(C) investment from other Federal agencies;

[(D) investment from philanthropic organizations; and

[(E) clear objectives for the plan and the ability to establish measurable performance measures and to track progress toward meeting the objectives.

[(2) CONSISTENCY WITH PLANS.—Applications involving State, county, municipal, or tribal governments shall include an indication of consistency with an adopted regional economic or community development plan.

[(d) FUNDS.—

[(1) IN GENERAL.—Subject to paragraph (3) and subsection (e), the Secretary may reserve for projects that support multi-jurisdictional strategic community and economic development plans described in subsection (a) an amount that does not exceed 10 percent of the funds made available for a fiscal year for a functional category described in paragraph (2).

[(2) FUNCTIONAL CATEGORIES.—The functional categories described in this subsection are the following:

[(A) RURAL COMMUNITY FACILITIES CATEGORY.—The rural community facilities category consists of all amounts made available for community facility grants and direct and guaranteed loans under paragraph (1), (19), (20), (21), (24), or (25) of section 306(a).

[(B) RURAL UTILITIES CATEGORY.—The rural utilities category consists of all amounts made available for—

[(i) water or waste disposal grants or direct or guaranteed loans under paragraph (1), (2), or (24) of section 306(a);

[(ii) rural water or wastewater technical assistance and training grants under section 306(a)(14);

[(iii) emergency community water assistance grants under section 306A; or

[(iv) solid waste management grants under section 310B(b).

[(C) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT CATEGORY.—The rural business and cooperative development category consists of all amounts made available for—

[(i) business and industry direct and guaranteed loans under section 310B(a)(2)(A); or

[(ii) rural business development grants under section 310B(c).

[(3) PERIOD.—The reservation of funds described in paragraph (2) may only extend through June 30 of the fiscal year in which the funds were first made available.

[(e) APPROVED APPLICATIONS.—

[(1) IN GENERAL.—Any applicant who submitted a rural development application that was approved before the date of enactment of this section may amend the application to qualify for the funds reserved under subsection (d)(1).

[(2) RURAL UTILITIES.—Any rural development application authorized under section 306(a)(2), 306(a)(14), 306(a)(24), 306A, or 310B(b) and approved by the Secretary before the date of enactment of this section shall be eligible for the funds reserved under subsection (d)(1) on the same basis as the applications submitted under this section until September 30, 2016.]

SEC. 379H. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.

(a) *IN GENERAL.*—*In the case of any program as determined by the Secretary, the Secretary shall give priority to an application for a project that, as determined and approved by the Secretary—*

(1) meets the applicable eligibility requirements of this title or other applicable authorizing law;

(2) will be carried out in a rural area; and

(3) supports the implementation of a strategic community investment plan described in subsection (d) on a multisectoral and multijurisdictional basis.

(b) *RESERVE.*—

(1) IN GENERAL.—*Subject to paragraph (2), the Secretary shall reserve a portion of the funds made available for a fiscal year for programs as determined by the Secretary, for projects that support the implementation of a strategic community investment plan described in subsection (d) on a multisectoral and multijurisdictional basis.*

(2) PERIOD.—*The reservation of funds described in paragraph (1) may only extend through a date of the fiscal year in which the funds were first made available, as determined by the Secretary.*

(c) *APPROVED APPLICATIONS.*—

(1) IN GENERAL.—*Any applicant who submitted a funding application that was approved before the date of enactment of this section may amend the application to qualify for the funds reserved under subsection (b).*

(2) RURAL UTILITIES.—*Any rural development application authorized under section 306(a)(2), 306(a)(14), 306(a)(24), 306A, or 310B(b) and approved by the Secretary before the date of en-*

actment of this section shall be eligible for the funds reserved under subsection (b) on the same basis as the applications submitted under this section, until September 30, 2019.

(d) STRATEGIC COMMUNITY INVESTMENT PLANS.—

(1) IN GENERAL.—The Secretary shall provide assistance to rural communities for developing strategic community investment plans.

(2) PLANS.—A strategic community investment plan described in paragraph (1) shall include—

(A) a variety of activities designed to facilitate a rural community's vision for its future;

(B) participation by multiple stakeholders, including local and regional partners;

(C) leverage of applicable regional resources;

(D) investment from strategic partners, such as—

(i) private organizations;

(ii) cooperatives;

(iii) other government entities;

(iv) tribes; and

(v) philanthropic organizations;

(E) clear objectives with the ability to establish measurable performance metrics;

(F) action steps for implementation; and

(G) any other elements necessary to ensure that the plan results in a comprehensive and strategic approach to rural economic development, as determined by the Secretary.

(3) COORDINATION.—The Secretary shall coordinate with tribes and local, State, regional, and Federal partners to develop strategic community investment plans under this subsection.

(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated \$5,000,000 for fiscal years 2018 through 2023 to carry out this subsection.

(B) AVAILABILITY.—The amounts made available to carry out this subsection are authorized to remain available until expended.

Subtitle E—Rural Community Advancement Program

* * * * *

SEC. 381E. RURAL DEVELOPMENT TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund which shall be known as the Rural Development Trust Fund (in this subtitle referred to as the “Trust Fund”).

(b) ACCOUNTS.—There are established in the Trust Fund the following accounts:

- (1) The rural community facilities account.
- (2) The rural utilities account.
- (3) The rural business and cooperative development account.
- (4) The federally recognized Indian tribe account.

(c) DEPOSITS INTO ACCOUNTS.—Notwithstanding any other provision of law, each fiscal year—

(1) all amounts made available to carry out the authorities described in subsection (d)(1) for the fiscal year shall be deposited into the rural community facilities account of the Trust Fund;

(2) all amounts made available to carry out the authorities described in subsection (d)(2) for the fiscal year shall be deposited into the rural utilities account of the Trust Fund; and

(3) all amounts made available to carry out the authorities described in subsection (d)(3) for the fiscal year shall be deposited into the rural business and cooperative development account of the Trust Fund.

(d) FUNCTION CATEGORIES.—The function categories described in this subsection are the following:

(1) RURAL COMMUNITY FACILITIES.—The rural community development category consists of all amounts made available for—

(A) community facility direct and guaranteed loans under section 306(a)(1); or

(B) community facility grants under paragraph (19), (20), or (21) of section 306(a).

(2) RURAL UTILITIES.—The rural utilities category consists of all amounts made available for—

(A) water or waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a);

(B) rural water or wastewater technical assistance and training grants under section 306(a)(14);

(C) emergency community water assistance grants under section 306A; or

(D) solid waste management grants under section 310B(b).

(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category consists of all amounts made available for—

[(A)] rural business opportunity grants under section 306(a)(11)(A);

[(B)] (A) business and industry direct and guaranteed loans under section 310B(a)(2)(A); or

[(C)] (B) rural business enterprise grants or rural educational network grants under section 310B(c).

(e) FEDERALLY RECOGNIZED INDIAN TRIBE ACCOUNT.—

(1) TRANSFERS INTO ACCOUNT.—Each fiscal year, the Secretary shall transfer to the federally recognized Indian tribe account of the Trust Fund 3 percent of the amount deposited into the Trust Fund for the fiscal year under subsection (d).

(2) USE OF FUNDS.—The Secretary shall make available to federally recognized Indian tribes the amounts in the federally recognized Indian tribe account for use pursuant to any authority described in subsection (d).

(f) ALLOCATION AMONG STATES.—The Secretary shall allocate the amounts in each account specified in subsection (c) among the States in a fair, reasonable, and appropriate manner that takes into consideration rural population, levels of income, unemployment, and other relevant factors, as determined by the Secretary.

(g) AVAILABILITY OF FUNDS ALLOCATED FOR STATES.—The Secretary shall make available to each State the total amount allocated for the State under subsection (f) that remains after applying section 381G.

* * * * *

Subtitle F—Delta Regional Authority

SEC. 382A. DEFINITIONS.

In this subtitle:

(1) AUTHORITY.—The term “Authority” means the Delta Regional Authority established by section 382B.

(2) REGION.—The term “region” means the Lower Mississippi (as defined in section 4 of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100–460)).

(3) FEDERAL GRANT PROGRAM.—The term “Federal grant program” means a Federal grant program to provide assistance in—

(A) acquiring or developing land;

(B) constructing or equipping a highway, road, bridge, or facility; or

(C) carrying out other economic development activities.

(4) *Notwithstanding any other provision of law, the State of Alabama shall be a full member of the Delta Regional Authority and shall be entitled to all rights and privileges that said membership affords to all other participating States in the Delta Regional Authority.*

* * * * *

SEC. 382E. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.

(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term “local development district” means an entity that—

(1) is—

(A) a planning district in existence on the date of enactment of this subtitle that is recognized by the Economic Development Administration of the Department of Commerce; or

(B) where an entity described in subparagraph (A) does not exist—

(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

(ii) governed by a policy board with at least a simple majority of members consisting of elected officials or employees of a general purpose unit of local government who have been appointed to represent the government;

(iii) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region—

- (I) by the Governor of each State in which the entity is located; or
- (II) by the State officer designated by the appropriate State law to make the certification; and
- (iv)(I) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;
- (II) a nonprofit agency or instrumentality of a State or local government;
- (III) a public organization established before the date of enactment of this subtitle under State law for creation of multi-jurisdictional, area-wide planning organizations; or
- (IV) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subclauses (I) through (III); and
- (2) has not, as certified by the Federal cochairperson—
 - (A) inappropriately used Federal grant funds from any Federal source; or
 - (B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.
- (b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—
 - (1) IN GENERAL.—The Authority shall make grants for administrative expenses under this section.
 - (2) CONDITIONS FOR GRANTS.—
 - (A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.
 - (B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.
 - (C) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.
- (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—A local development district shall—
 - (1) operate as a lead organization serving multicounty areas in the region at the local level; and
 - (2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—
 - (A) are involved in multijurisdictional planning;
 - (B) provide technical assistance to local jurisdictions and potential grantees; and
 - (C) provide leadership and civic development assistance.

* * * * *

SEC. 382N. TERMINATION OF AUTHORITY.

This subtitle and the authority provided under this subtitle expire on October 1, [2018] 2023.

Subtitle G—Northern Great Plains Regional Authority

* * * * *

SEC. 383G. DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.

(a) DESIGNATIONS.—Not later than 90 days after the date of enactment of this subtitle, and annually thereafter, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration;

(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty, unemployment, or outmigration.

(b) DISTRESSED COUNTIES.—

(1) IN GENERAL.—The Authority shall allocate at least 50 percent of the appropriations made available under section 383N for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

(2) FUNDING LIMITATIONS.—The funding limitations under section 383E(b) shall not apply to a project to provide transportation or telecommunication or basic public services to residents of 1 or more distressed counties or isolated areas of distress in the region.

(c) TRANSPORTATION, ~~TELECOMMUNICATION~~ RENEWABLE ENERGY, ~~TELECOMMUNICATION~~, RENEWABLE ENERGY, AND BASIC PUBLIC INFRASTRUCTURE.—The Authority shall allocate at least 50 percent of any funds made available under section 383N for transportation, telecommunication~~,,~~ renewable energy, and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 383D(a).

* * * * *

SEC. 383N. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this subtitle ~~[\$30,000,000 for each of fiscal years 2008 through 2018]~~ *\$2,000,000 for each of fiscal years 2019 through 2023*, to remain available until expended.

(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Authority.

(c) MINIMUM STATE SHARE OF GRANTS.—Notwithstanding any other provision of this subtitle, for any fiscal year, the aggregate amount of grants received by a State and all persons or entities in the State under this subtitle shall be not less than $\frac{1}{3}$ of the product obtained by multiplying—

(1) the aggregate amount of grants under this subtitle for the fiscal year; and

(2) the ratio that—

- (A) the population of the State (as determined by the Secretary of Commerce based on the most recent decennial census for which data are available); bears to
- (B) the population of the region (as so determined).

SEC. 383O. TERMINATION OF AUTHORITY.

The authority provided by this subtitle terminates effective October 1, [2018] 2023.

Subtitle H—Rural Business Investment Program

* * * * *

SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle \$20,000,000 for each of fiscal years 2014 through [2018] 2023.

[Subtitle I—Rural Collaborative Investment Program

[SEC. 385A. PURPOSE.

[The purpose of this subtitle is to establish a regional rural collaborative investment program—

[(1) to provide rural regions with a flexible investment vehicle, allowing for local control with Federal oversight, assistance, and accountability;

[(2) to provide rural regions with incentives and resources to develop and implement comprehensive strategies for achieving regional competitiveness, innovation, and prosperity;

[(3) to foster multisector community and economic development collaborations that will optimize the asset-based competitive advantages of rural regions with particular emphasis on innovation, entrepreneurship, and the creation of quality jobs;

[(4) to foster collaborations necessary to provide the professional technical expertise, institutional capacity, and economies of scale that are essential for the long-term competitiveness of rural regions; and

[(5) to better use Department of Agriculture and other Federal, State, and local governmental resources, and to leverage those resources with private, nonprofit, and philanthropic investments, in order to achieve measurable community and economic prosperity, growth, and sustainability.

[SEC. 385B. DEFINITIONS.

[In this subtitle:

[(1) BENCHMARK.—The term “benchmark” means an annual set of goals and performance measures established for the purpose of assessing performance in meeting a regional investment strategy of a Regional Board.

[(2) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

[(3) NATIONAL BOARD.—The term “National Board” means the National Rural Investment Board established under section 385C(c).

[(4) NATIONAL INSTITUTE.—The term “National Institute” means the National Institute on Regional Rural Competitiveness and Entrepreneurship established under section 385C(b)(2).

[(5) REGIONAL BOARD.—The term “Regional Board” means a Regional Rural Investment Board described in section 385D(a).

[(6) REGIONAL INNOVATION GRANT.—The term “regional innovation grant” means a grant made by the Secretary to a certified Regional Board under section 385F.

[(7) REGIONAL INVESTMENT STRATEGY GRANT.—The term “regional investment strategy grant” means a grant made by the Secretary to a certified Regional Board under section 385E.

[(8) RURAL HERITAGE.—

[(A) IN GENERAL.—The term “rural heritage” means historic sites, structures, and districts.

[(B) INCLUSIONS.—The term “rural heritage” includes historic rural downtown areas and main streets, neighborhoods, farmsteads, scenic and historic trails, heritage areas, and historic landscapes.

[SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF RURAL COLLABORATIVE INVESTMENT PROGRAM.

[(a) ESTABLISHMENT.—The Secretary shall establish a Rural Collaborative Investment Program to support comprehensive regional investment strategies for achieving rural competitiveness.

[(b) DUTIES OF SECRETARY.—In carrying out this subtitle, the Secretary shall—

[(1) appoint and provide administrative and program support to the National Board;

[(2) establish a national institute, to be known as the “National Institute on Regional Rural Competitiveness and Entrepreneurship”, to provide technical assistance to the Secretary and the National Board regarding regional competitiveness and rural entrepreneurship, including technical assistance for—

[(A) the development of rigorous analytic programs to assist Regional Boards in determining the challenges and opportunities that need to be addressed to receive the greatest regional competitive advantage;

[(B) the provision of support for best practices developed by the Regional Boards;

[(C) the establishment of programs to support the development of appropriate governance and leadership skills in the applicable regions; and

[(D) the evaluation of the progress and performance of the Regional Boards in achieving benchmarks established in a regional investment strategy;

[(3) work with the National Board to develop a national rural investment plan that shall—

[(A) create a framework to encourage and support a more collaborative and targeted rural investment portfolio in the United States;

- [(B) regional strategy and development organizations;
 - [(C) community-based organizations;
 - [(D) elected members of local governments;
 - [(E) members of State legislatures;
 - [(F) primary, secondary, and higher education, job skills training, and workforce development institutions;
 - [(G) the rural philanthropic community;
 - [(H) financial, lending, venture capital, entrepreneurship, and other related institutions;
 - [(I) private sector business organizations, including chambers of commerce and other for-profit business interests;
 - [(J) Indian tribes; and
 - [(K) cooperative organizations.
- [(4) SELECTION OF MEMBERS.—
- [(A) IN GENERAL.—In selecting members of the National Board, the Secretary shall consider recommendations made by—
- [(i) the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;
 - [(ii) the Majority Leader and Minority Leader of the Senate; and
 - [(iii) the Speaker and Minority Leader of the House of Representatives.
- [(B) EX-OFFICIO MEMBERS.—In consultation with the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may appoint not more than 3 other officers or employees of the Executive Branch to serve as ex-officio, nonvoting members of the National Board.
- [(5) TERM OF OFFICE.—
- [(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a member of the National Board appointed under paragraph (1)(A) shall be for a period of not more than 4 years.
- [(B) STAGGERED TERMS.—The members of the National Board shall be appointed to serve staggered terms.
- [(6) INITIAL APPOINTMENTS.—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall appoint the initial members of the National Board.
- [(7) VACANCIES.—A vacancy on the National Board shall be filled in the same manner as the original appointment.
- [(8) COMPENSATION.—A member of the National Board shall receive no compensation for service on the National Board, but shall be reimbursed for related travel and other expenses incurred in carrying out the duties of the member of the National Board in accordance with section 5702 and 5703 of title 5, United States Code.
- [(9) CHAIRPERSON.—The National Board shall select a chairperson from among the members of the National Board.

[(10) FEDERAL STATUS.—For purposes of Federal law, a member of the National Board shall be considered a special Government employee (as defined in section 202(a) of title 18, United States Code).

[(f) ADMINISTRATIVE SUPPORT.—The Secretary, on a reimbursable basis from funds made available under section 385H, may provide such administrative support to the National Board as the Secretary determines is necessary.

[SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.

[(a) IN GENERAL.—A Regional Rural Investment Board shall be a multijurisdictional and multisectoral group that—

[(1) represents the long-term economic, community, and cultural interests of a region;

[(2) is certified by the Secretary to establish a rural investment strategy and compete for regional innovation grants;

[(3) is composed of residents of a region that are broadly representative of diverse public, nonprofit, and private sector interests in investment in the region, including (to the maximum extent practicable) representatives of—

[(A) units of local, multijurisdictional, or State government, including not more than 1 representative from each State in the region;

[(B) nonprofit community-based development organizations, including community development financial institutions and community development corporations;

[(C) agricultural, natural resource, and other asset-based related industries;

[(D) in the case of regions with federally recognized Indian tribes, Indian tribes;

[(E) regional development organizations;

[(F) private business organizations, including chambers of commerce;

[(G)(i) institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)));

[(ii) tribally controlled colleges or universities (as defined in section 2(a) of Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a))); and

[(iii) tribal technical institutions;

[(H) workforce and job training organizations;

[(I) other entities and organizations, as determined by the Regional Board;

[(J) cooperatives; and

[(K) consortia of entities and organizations described in subparagraphs (A) through (J);

[(4) represents a region inhabited by—

[(A) more than 25,000 individuals, as determined in the latest available decennial census conducted under section 141(a) of title 13, United States Code; or

[(B) in the case of a region with a population density of less than 2 individuals per square mile, at least 10,000 individuals, as determined in that latest available decennial census;

[(5) has a membership of which not less than 25 percent, nor more than 40 percent, represents—

- [(A) units of local government and Indian tribes described in subparagraphs (A) and (D) of paragraph (3);
- [(B) nonprofit community and economic development organizations and institutions of higher education described in subparagraphs (B) and (G) of paragraph (3); or
- [(C) private business (including chambers of commerce and cooperatives) and agricultural, natural resource, and other asset-based related industries described in subparagraphs (C) and (F) of paragraph (3);
- [(6) has a membership that may include an officer or employee of a Federal agency, serving as an ex-officio, nonvoting member of the Regional Board to represent the agency; and
- [(7) has organizational documents that demonstrate that the Regional Board will—
 - [(A) create a collaborative public-private strategy process;
 - [(B) develop, and submit to the Secretary for approval, a regional investment strategy that meets the requirements of section 385E, with benchmarks—
 - [(i) to promote investment in rural areas through the use of grants made available under this subtitle; and
 - [(ii) to provide financial and technical assistance to promote a broad-based regional development program aimed at increasing and diversifying economic growth, improved community facilities, and improved quality of life;
 - [(C) implement the approved regional investment strategy; and
 - [(D) select a non-Federal organization (such as a regional development organization) in the local area served by the Regional Board that has previous experience in the management of Federal funds to serve as fiscal manager of any funds of the Regional Board.
- [(b) URBAN AREAS.—A resident of an urban area may serve as an ex-officio member of a Regional Board.
- [(c) DUTIES.—A Regional Board shall—
 - [(1) create a collaborative planning process for public-private investment within a region;
 - [(2) develop, and submit to the Secretary for approval, a regional investment strategy;
 - [(3) develop approaches that will create permanent resources for philanthropic giving in the region, to the maximum extent practicable;
 - [(4) implement an approved strategy; and
 - [(5) provide annual reports to the Secretary and the National Board on progress made in achieving the strategy, including an annual financial statement.

[SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.

- [(a) IN GENERAL.—The Secretary shall make regional investment strategy grants available to Regional Boards for use in developing, implementing, and maintaining regional investment strategies.
- [(b) REGIONAL INVESTMENT STRATEGY.—A regional investment strategy shall provide—

- [(C) the growth in public, private, and nonprofit investment in the human, community, and economic assets of the region;
 - [(D) changes in per capita income and the rate of unemployment; and
 - [(E) other changes in the economic environment of the region;
 - [(9) a section outlining the methodology for use in integrating the regional investment strategy with the economic priorities of the State; and
 - [(10) such other information as the Secretary determines to be appropriate.
- [(c) MAXIMUM AMOUNT OF GRANT.—A regional investment strategy grant shall not exceed \$150,000.
- [(d) COST SHARING.—
- [(1) IN GENERAL.—Subject to paragraph (2), of the share of the costs of developing, maintaining, evaluating, implementing, and reporting with respect to a regional investment strategy funded by a grant under this section—
 - [(A) not more than 40 percent may be paid using funds from the grant; and
 - [(B) the remaining share shall be provided by the applicable Regional Board or other eligible grantee.
 - [(2) FORM.—A Regional Board or other eligible grantee shall pay the share described in paragraph (1)(B) in the form of cash, services, materials, or other in-kind contributions, on the condition that not more than 50 percent of that share is provided in the form of services, materials, and other in-kind contributions.

[SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.

- [(a) GRANTS.—
- [(1) IN GENERAL.—The Secretary shall provide, on a competitive basis, regional innovation grants to Regional Boards for use in implementing projects and initiatives that are identified in a regional rural investment strategy approved under section 385E.
 - [(2) TIMING.—After October 1, 2008, the Secretary shall provide awards under this section on a quarterly funding cycle.
- [(b) ELIGIBILITY.—To be eligible to receive a regional innovation grant, a Regional Board shall demonstrate to the Secretary that—
- [(1) the regional rural investment strategy of a Regional Board has been reviewed by the National Board prior to approval by the Secretary;
 - [(2) the management and organizational structure of the Regional Board is sufficient to oversee grant projects, including management of Federal funds; and
 - [(3) the Regional Board has a plan to achieve, to the maximum extent practicable, the performance-based benchmarks of the project in the regional rural investment strategy.
- [(c) LIMITATIONS.—
- [(1) AMOUNT RECEIVED.—A Regional Board may not receive more than \$6,000,000 in regional innovation grants under this section during any 5-year period.
 - [(2) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount of a regional innovation grant based on—

[(H) address economic diversification, including agricultural and non-agriculturally based economies, within a regional framework;

[(I) improve the overall quality of life in the region;

[(J) enhance the potential to expand economic development successes across diverse stakeholder groups within the region;

[(K) include an effective working relationship with 1 or more institutions of higher education, tribally controlled colleges or universities, or tribal technical institutions;

[(L) help to meet the other regional competitiveness needs identified by a Regional Board; or

[(M) protect and promote rural heritage.

[(f) USES.—

[(1) LEVERAGE.—A Regional Board shall prioritize projects and initiatives carried out using funds from a regional innovation grant provided under this section, based in part on the degree to which members of the Regional Board are able to leverage additional funds for the implementation of the projects.

[(2) PURPOSES.—A Regional Board may use a regional innovation grant—

[(A) to support the development of critical infrastructure (including technology deployment and services) necessary to facilitate the competitiveness of a region;

[(B) to provide assistance to entities within the region that provide essential public and community services;

[(C) to enhance the value-added production, marketing, and use of agricultural and natural resources within the region, including activities relating to renewable and alternative energy production and usage;

[(D) to assist with entrepreneurship, job training, workforce development, housing, educational, or other quality of life services or needs, relating to the development and maintenance of strong local and regional economies;

[(E) to assist in the development of unique new collaborations that link public, private, and philanthropic resources, including community foundations;

[(F) to provide support for business and entrepreneurial investment, strategy, expansion, and development, including feasibility strategies, technical assistance, peer networks, business development funds, and other activities to strengthen the economic competitiveness of the region;

[(G) to provide matching funds to enable community foundations located within the region to build endowments which provide permanent philanthropic resources to implement a regional investment strategy; and

[(H) to preserve and promote rural heritage.

[(3) AVAILABILITY OF FUNDS.—The funds made available to a Regional Board or any other eligible grantee through a regional innovation grant shall remain available for the 7-year period beginning on the date on which the award is provided, on the condition that the Regional Board or other grantee continues to be certified by the Secretary as making adequate progress toward achieving established benchmarks.

[(g) COST SHARING.—

[(1) WAIVER OF GRANTEE SHARE.—The Secretary may waive the share of a grantee of the costs of a project funded by a regional innovation grant under this section if the Secretary determines that such a waiver is appropriate, including with respect to special circumstances within tribal regions, in the event an area experiences—

[(A) a sudden or severe economic dislocation;

[(B) significant chronic unemployment or poverty;

[(C) a natural disaster; or

[(D) other severe economic, social, or cultural duress.

[(2) OTHER FEDERAL PROGRAMS.—For the purpose of determining cost-sharing requirements for any other Federal program, funds provided as a regional innovation grant under this section shall be considered to be non-Federal funds.

[(h) NONCOMPLIANCE.—If a Regional Board or other eligible grantee fails to comply with any requirement relating to the use of funds provided under this section, the Secretary may—

[(1) take such actions as are necessary to obtain reimbursement of unused grant funds; and

[(2) reprogram the recaptured funds for purposes relating to implementation of this subtitle.

[(i) PRIORITY TO AREAS WITH AWARDS AND APPROVED STRATEGIES.—

[(1) IN GENERAL.—Subject to paragraph (3), in providing rural development assistance under other programs, the Secretary shall give a high priority to areas that receive innovation grants under this section.

[(2) CONSULTATION.—The Secretary shall consult with the heads of other Federal agencies to promote the development of priorities similar to those described in paragraph (1).

[(3) EXCLUSION OF CERTAIN PROGRAMS.—Paragraph (1) shall not apply to the provision of rural development assistance under any program relating to basic health, safety, or infrastructure, including broadband deployment or minimum environmental needs.

[(SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.]

[(a) IN GENERAL.—The Secretary may provide long-term loans to eligible community foundations to assist in the implementation of regional investment strategies.

[(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be eligible to receive a loan under this section, a community foundation shall—

[(1) be located in an area that is covered by a regional investment strategy;

[(2) match the amount of the loan with an amount that is at least 250 percent of the amount of the loan; and

[(3) use the loan and the matching amount to carry out the regional investment strategy in a manner that is targeted to community and economic development, including through the development of community foundation endowments.

[(c) TERMS.—A loan made under this section shall—

[(1) have a term of not less than 10, nor more than 20, years;

[(2) bear an interest rate of 1 percent per annum; and

[(3) be subject to such other terms and conditions as are determined appropriate by the Secretary.

[SEC. 385H. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subtitle \$135,000,000 for the period of fiscal years 2009 through 2012.]

FARM CREDIT ACT OF 1971

* * * * *

POLICY AND OBJECTIVES

SEC. 1.1. (a) It is declared to be the policy of the Congress, recognizing that a prosperous, productive agriculture is essential to a free nation and recognizing the growing need for credit in rural areas, that the farmer-owned cooperative Farm Credit System be designed to accomplish the objective of improving the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and closely related services to them, their cooperatives, and to selected farm-related businesses necessary for efficient farm operations.

(b) It is the objective of this Act to continue to encourage farmer- and rancher-borrowers participation in the management, control, and ownership of a permanent system of credit for agriculture which will be responsive to the credit needs of all types of agricultural producers having a basis for credit, and to modernize and improve the authorizations and means for furnishing such credit and credit for housing in rural areas made available through the institutions constituting the Farm Credit System as herein provided.

(c) It is declared to be the policy of Congress that the credit needs of farmers, ranchers, and their cooperatives are best served if the institutions of the Farm Credit System provide equitable and competitive interest rates to eligible borrowers, taking into consideration the creditworthiness and access to alternative sources of credit for borrowers, the cost of funds, **[including any costs of defeasance under section 4.8(b),]** the operating costs of the institution, including the costs of any loan loss amortization under section 5.19(b), the cost of servicing loans, the need to retain earnings to protect borrowers' stock, and the volume of net new borrowing. Further, it is declared to be the policy of Congress that Farm Credit System institutions take action in accordance with the Farm Credit Act Amendments of 1986 in such manner that borrowers from the institutions derive the greatest benefit practicable from that Act: *Provided*, That in no case is any borrower to be charged a rate of interest that is below competitive market rates for similar loans made by private lenders to borrowers of equivalent creditworthiness and access to alternative credit.

SEC. 1.2. THE FARM CREDIT SYSTEM.

[(a) COMPOSITION.—The Farm Credit System shall include the Farm Credit Banks, the Federal land bank associations, the production credit associations, the banks for cooperatives, and such other institutions as may be made a part of the System, all of which shall be chartered by and subject to regulation by the Farm Credit Administration.]

(a) COMPOSITION.—The Farm Credit System shall include the Farm Credit Banks, banks for cooperatives, Agricultural Credit Banks, the Federal land bank associations, the Federal land credit

associations, the production credit associations, the Agricultural Credit Associations, the Federal Farm Credit Banks Funding Corporation, the Federal Agricultural Mortgage Corporation, service corporations established pursuant to section 4.25 of this Act, and such other institutions as may be made a part of the System, all of which shall be chartered by and subject to regulation by the Farm Credit Administration.

(b) FARM CREDIT DISTRICTS.—There shall be not more than twelve farm credit districts in the United States, which may be designated by number, one of which districts shall include the Commonwealth of Puerto Rico and one of which districts may, if authorized by the Farm Credit Administration, include the Virgin Islands of the United States: *Provided*, That the extension of credit and other services authorized by this Act in the Virgin Islands of the United States shall be undertaken only if determined to be feasible under regulations of the Farm Credit Administration. The boundaries of the twelve farm credit districts existing on the date of enactment of this Act may be readjusted from time to time by the Farm Credit Administration, with the concurrence of the boards of the banks in each district involved. Two or more districts may be merged as provided in section 5.17(a)(2).

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TITLE II—FARM CREDIT ASSOCIATIONS

Subtitle A—Production Credit Associations

* * * * *

SEC. 2.4. SHORT- AND INTERMEDIATE-TERM LOANS; PARTICIPATION; OTHER FINANCIAL ASSISTANCE; TERMS; CONDITIONS; INTEREST; SECURITY.

(a) SHORT- AND INTERMEDIATE-TERM LOANS.—Each production credit association, under standards prescribed by the board of directors of the Farm Credit Bank of the district, may make, guarantee, or participate with other lenders in short- and intermediate-term loans and other similar financial assistance to—

(1) bona fide farmers and ranchers and the producers or harvesters of aquatic products, for agricultural or aquatic purposes and other requirements of such borrowers, including financing for basic processing and marketing directly related to the operations of the borrower and those of other eligible farmers, ranchers, and producers or harvesters of aquatic products, except that the operations of the borrower shall supply some portion of the total processing or marketing for which financing is extended, except that the aggregate of the financing provided by any association for basic processing and marketing directly related to the operations of farmers, ranchers, and producers or harvesters of aquatic products, if the operations of the applicant supply less than 20 percent of the total processing or marketing for which financing is extended, shall not exceed 15 percent of the total of all outstanding loans of all associations in the district at the end of its preceding fiscal year;

(2) rural residents for housing financing in rural areas, under regulations of the Farm Credit Administration; and

(3) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs.

(b) RURAL HOUSING.—

(1) IN GENERAL.—Rural housing financed under this subtitle shall be for single-family, moderate-priced dwellings and the appurtenances of such not inconsistent with the general quality and standards of housing existing in, or planned or recommended for, the rural area where it is located.

(2) LIMITATION.—The aggregate of such housing loans in an association to persons other than farmers or ranchers shall not exceed 15 percent of the outstanding loans at the end of its preceding fiscal year except on prior approval by the Farm Credit Bank of the district. The aggregate of such housing loans in any farm credit district shall not exceed 15 percent of the outstanding loans of all associations in the district at the end of the preceding fiscal year.

(3) RURAL AREAS.—For rural housing purposes under this section the term “rural areas” shall not be defined to include any city or village having a population in excess of 2,500 inhabitants.

(4) EQUIPMENT.—Each association may own and lease, or lease with option to purchase, to stockholders of the association equipment needed in the operations of the stockholder.

(c) INTEREST RATES AND CHARGES.—

(1) IN GENERAL.—Loans authorized in subsection (a) hereof shall bear such rate or rates of interest as are determined under standards prescribed by the board of the bank subject to the provisions of section 4.17 of this Act, and shall be made upon such terms, conditions, and upon such security, if any, as shall be authorized in such standards.

(2) SETTING OF RATES.—In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the association, necessary reserves and expenses of the association, and services provided to borrowers and members.

(3) VARYING RATES.—The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan in accordance with the rate or rates currently being charged by the association.

(4) PRIOR APPROVAL.—Such standards may require prior approval of the bank on certain classes of loans, and may authorize a continuing commitment to a borrower of a line of credit.

[(d) SPECIAL DISTRICT RULE.—

[(1) PROVISION OF CREDIT AND TECHNICAL ASSISTANCE OUTSIDE SERVICE TERRITORY.—Notwithstanding any territorial limitation in the chapter of a production credit association located in a district in which there are only two such associations, the Farm Credit Administration Board, on request of such association, may permit such association to provide credit and technical assistance to any borrower who is denied credit by the other production credit association in the district if the Board determines that such other production credit association in the district is unduly restrictive in the application of credit standards.

[(2) TIMING OF DETERMINATION.—If the Farm Credit Administration Board approves the extension of credit and technical assistance under paragraph (1), the association shall approve or deny the application for credit within 90 days after receipt of the application from the borrower.]

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TITLE III—BANKS FOR COOPERATIVES

PART A—BANKS FOR COOPERATIVES

SEC. 3.0. ESTABLISHMENT; TITLES; BRANCHES.—(a) The banks for cooperatives established pursuant to sections 2 and 30 of the Farm Credit Act of 1933, as amended, shall continue as federally chartered instrumentalities of the United States. The Farm Credit Administration shall approve amendments consistent with this Act to charters and organizational certificates of banks for cooperatives. Unless an existing bank for cooperatives is merged with another bank, there shall be a bank for cooperatives in each farm credit district [and a Central Bank for Cooperatives]. A bank for cooperatives may include in its title the name of the city in which it is located or other geographical designation. [The Central Bank for Cooperatives may be located in such place as its board of directors may determine with the approval of the Farm Credit Administration.] When authorized by the Farm Credit Administration each bank for cooperatives may establish such branches or other offices as may be appropriate for the effective operation of its business.

(b) Each bank for cooperatives shall elect from its voting stockholders a board of directors of such number, for such term, in such manner, and with such qualifications as may be required in its bylaws, except that, at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution.

* * * * *

SEC. 3.2. BOARD OF DIRECTORS.—

(a)[(1)] Each bank for cooperatives [not merged into the United Bank for Cooperatives or the National Bank for Cooperatives] shall elect a board of directors of such number, for such term, in such manner, and with such qualifications as may be required in its bylaws, except that at least one member shall be elected by the other directors, which member shall not be a director, officer, employee, or stockholder of a System institution. *Section 7.12(c) shall apply to the board of directors of a merged bank for cooperatives.*

[(2)(A)] (b)(1) If approved by the stockholders through a bylaw amendment, the nomination and election of one member from a bank for cooperatives [(other than the National Bank for Cooperatives)] shall be carried out with each voting stockholder of a bank for cooperatives having one vote, plus a number of votes (or fractional part thereof) equal to—

[(i)] (A) the number of stockholders eligible to vote; multiplied by

[(ii)] (B) the percentage (or fractional part thereof) of the total equity interest (including allocated, but not unallocated, surplus and reserves) in the bank of all stock-

holders held by the individual voting stockholder at the close of the immediately preceding fiscal year of the bank.
[(B)] (2) The total number of votes under this **[paragraph]** *subsection* shall be the number of voting stockholders of a bank for cooperatives multiplied by two.

[(b)] The board of directors of the Central Bank for Cooperatives shall consist of one member elected by the board of each bank for cooperatives, including the United Bank for Cooperatives if the Central Bank for Cooperatives is not merged into such bank, and one member appointed by the Farm Credit Administration.]

* * * * *

SEC. 3.5. RETIREMENT OF STOCK.—Nonvoting investment stock and participation certificates may be called for retirement at par. With the approval of the issuing bank, the holder may elect not to have the called stock or participation certificates retired in response to a call, reserving the right to have such stock or participation certificates included in the next call for retirement. Voting stock may also be retired at par, on call or on such revolving basis as the board may determine with due regard for its total capital needs: *Provided, however,* That all equities in the **[district]** banks issued or allocated with respect to the year of the enactment of this Act and prior years shall be retired on a revolving basis according to the year of issue with the oldest outstanding equities being first retired. Equities issued for subsequent years shall not be called or retired until equities described in the preceding sentence of this proviso have been retired.

* * * * *

SEC. 3.7. LENDING POWER.—(a) The banks for cooperatives are authorized to make loans and commitments to eligible cooperative associations and to extend to them other technical and financial assistance at any time (whether or not they have a loan from the bank outstanding), including but not limited to discounting notes and other obligations, guarantees, currency exchange necessary to service individual transactions that may be financed under subsection (b) of this section, collateral custody, or participation with other banks for cooperatives and commercial banks or other financial institutions in loans to eligible cooperatives, under such terms and conditions as may be determined to be feasible by the board of directors of each bank for cooperatives under regulations of the Farm Credit Administration. **[Such regulations may include provisions for avoiding duplication between the Central Bank and district banks for cooperatives.]** Each bank may own and lease, or lease with option to purchase, to stockholders eligible to borrow from the bank equipment needed in the operations of the stockholder and may make or participate in loans or commitments and extend other technical and financial assistance to other domestic parties for the acquisition of equipment and facilities to be leased to such stockholders for use in their operations in the United States.

(b)(1) A bank for cooperatives is authorized to make or participate in loans and commitments to, and to extend other technical and financial assistance to a domestic or foreign party with respect to its transactions with an association that is a voting stockholder of the bank for the import of agricultural commodities or products

thereof, agricultural supplies, or aquatic products through purchases, sales or exchanges, if the bank for cooperatives determines, under regulations of the Farm Credit Administration, that the voting stockholder will benefit substantially as a result of such loan, commitment, or assistance.

(2)(A) A bank for cooperatives may make or participate in loans and commitments to, and extend other technical and financial assistance to—

(i) any domestic or foreign party for the export, including (where applicable) the cost of freight, of agricultural commodities or products thereof, agricultural supplies, or aquatic products from the United States under policies and procedures established by the bank to ensure that the commodities, products, or supplies are originally sourced, where reasonably available, from one or more eligible cooperative associations described in section 3.8(a) on a priority basis, except that if the total amount of the balances outstanding on loans made by a bank under this clause that—

(I) are made to finance the export of commodities, products, or supplies that are not originally sourced from a cooperative, and

(II) are not guaranteed or insured, in an amount equal to at least 95 percent of the amount loaned, by a department, agency, bureau, board, commission, or establishment of the United States or a corporation wholly-owned directly or indirectly by the United States, exceeds an amount that is equal to 50 percent of the bank's capital, then a sufficient interest in the loans shall be sold by the bank for cooperatives to commercial banks and other non-System lenders to reduce the total amount of such outstanding balances to an amount not greater than an amount equal to 50 percent of the bank's capital; and

(ii) except as provided in subparagraph (B), any domestic or foreign party in which an eligible cooperative association described in section 3.8(a) (including, for the purpose of facilitating its domestic business operations only, a cooperative or other entity described in section 3.8(b)(1)(A)) has an ownership interest, for the purpose of facilitating the domestic or foreign business operations of the association, except that if the ownership interest by an eligible cooperative association, or associations, is less than 50 percent, the financing shall be limited to the percentage held in the party by the association or associations.

(B) A bank for cooperatives shall not use the authority provided in subparagraph (A)(ii) to provide financial assistance to a party for the purpose of financing the relocation of a plant or facility from the United States to another country.

(3) A bank for cooperatives is authorized to provide such services as may be customary and normal in maintaining relationships with domestic or foreign entities to facilitate the activities specified in paragraphs (1) and (2), consistent with this Act.

(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term “agricultural supply” includes—

(A) a farm supply; and

(B)(i) agriculture-related processing equipment;

- (ii) agriculture-related machinery; and
- (iii) other capital goods related to the storage or handling of agricultural commodities or products.

(c) Loans, commitments, and assistance authorized by subsection (b) of this section shall be extended in accordance with policies adopted by the board of directors of the bank under regulations of the Farm Credit Administration.

(d) The regulations of the Farm Credit Administration implementing subsection (b) of this section and the other provisions of this title relating to the authority under subsection (b) of this section may not confer upon the banks for cooperatives powers and authorities greater than those specified in this title. The Farm Credit Administration shall, during the formulation of such regulations, closely consult on a continuing basis with the Board of Governors of the Federal Reserve System to ensure that such regulations conform to national banking policies, objectives, and limitations.

(e) Notwithstanding any other provision of this title, the banks for cooperatives shall not make or participate in loans or commitments for the purpose of financing speculative futures transactions by eligible borrowers in foreign currencies.

(f) The banks for cooperatives may, for the purpose of installing, maintaining, expanding, improving, or operating water and waste disposal facilities in rural areas, make and participate in loans and commitments and extending other technical and financial assistance to—

(1) cooperatives formed specifically for the purpose of establishing or operating such facilities; and

(2) public and quasi-public agencies and bodies, and other public and private entities that, under authority of State or local law, establish or operate such facilities.

For purposes of this subsection, the term “rural area” means all territory of a State that is not within the outer boundary of any city or town having a population of more than 20,000 based on the latest decennial census of the United States.

SEC. 3.8. ELIGIBILITY.—(a) Any association of farmers, producers or harvesters of aquatic products, or any federation of such associations, which is operated on a cooperative basis, and has the powers for processing, preparing for market, handling, or marketing farm or aquatic products; or for purchasing, testing, grading, processing, distributing, or furnishing farm or aquatic supplies or furnishing farm or aquatic business services or services to eligible cooperatives and conforms to either of the two following requirements:

(1) no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

(2) does not pay dividends on stock or membership capital in excess of such per centum per annum as may be approved under regulations of the Farm Credit Administration; and in any case

(3) does not deal in farm products or aquatic products, or products processed therefrom, farm or aquatic supplies, farm or aquatic business services, or services to eligible cooperatives with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for

members, excluding from the total of member and nonmember business transactions with the United States or any agency or instrumentality thereof or services or supplies furnished as a public utility; and

(4) a percentage of the voting control of the association not less than 80 per centum (60 per centum (A) in the case of rural electric, telephone, public utility, and service cooperatives; (B) in the case of local farm supply cooperatives that have historically served needs of the community that would not adequately be served by other suppliers and have experienced a reduction in the percentage of farmer membership due to changed circumstances beyond their control such as, but not limited to, urbanization of the community; and (C) in the case of local farm supply cooperatives that provide or will provide needed services to a community and that are or will be in competition with a cooperative specified in paragraph (B)) or, with respect to any type of association or cooperative, such higher percentage as established by the bank board, is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations as defined herein;

shall be eligible to borrow from a bank for cooperatives. Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.

(b) Notwithstanding any other provision of this section:

(1) The following entities shall also be eligible to borrow from a bank for cooperatives:

(A) Cooperatives and other entities that have received a loan, loan commitment, or loan guarantee from the Rural Electrification Administration (*or successor agency*), [or a loan or loan commitment from the Rural Telephone Bank,] or that are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for a loan, loan commitment, or loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and subsidiaries of such cooperatives or other entities.

(B) Any legal entity that (i) holds more than 50 percent of the voting control of an association or other entity that is eligible to borrow from a bank for cooperatives under subsection (a) or subparagraph (A) of this paragraph, and (ii) borrows for the purpose of making funds available to that association or entity, and makes funds available to that association or entity under the same terms and conditions that the funds are borrowed from a bank for cooperatives.

(C) Any cooperative or other entity described in subsection (b) or (f) of section 3.7.

(D) Any creditworthy private entity that satisfies the requirements for a service cooperative under paragraphs (1), (2), and (4), or under the last sentence, of subsection (a) and subsidiaries of the entity, if the entity is organized to

benefit agriculture in furtherance of the welfare of its farmer-members and is operated on a not-for-profit basis.

(2) Notwithstanding the provisions of section 3.9, the board of directors of a bank for cooperatives may determine that, with respect to a loan to any borrower eligible to borrow from a bank under paragraph (1)(A) that is fully guaranteed by the United States, no stock purchase requirement shall apply, other than the requirement that a borrower eligible to own voting stock shall purchase one share of such stock.

(3) Each association and other entity eligible to borrow from a bank for cooperatives under this subsection, for purposes of section 3.7(a), shall be treated as an eligible cooperative association and a stockholder eligible to borrow from the bank.

(4) Nothing in this subsection shall be construed to adversely affect the eligibility, as it existed on the date of the enactment of this subsection, of cooperatives and other entities for any other credit assistance under Federal law.

SEC. 3.9. OWNERSHIP OF STOCK BY BORROWERS.—(a) Each borrower entitled to hold voting stock shall, at the time a loan is made by a bank for cooperatives, own at least one share of voting stock and shall be required by the bank to invest in additional voting stock or nonvoting investment stock at that time, or from time to time, as the lending bank may determine, but the requirement for investment in stock at the time the loan is closed shall not exceed an amount equal to 10 per centum of the face amount of the loan. Such additional ownership requirements may be based on the face amount of the loan, the outstanding loan balance or on a percentage of the interest payable by the borrower during any year or during any quarter thereof, or upon such other basis as the bank determines will provide adequate capital for the operation of the bank and equitable ownership thereof among borrowers. [In the case of a direct loan by the Central Bank, the borrower shall be required to own or invest in the necessary stock in a district bank or banks and such district bank shall be required to own a corresponding amount of stock in the Central Bank, but voting stock shall be in the one district bank designated by the Farm Credit Administration.]

(b) Notwithstanding the provisions of subsection (a) of this section, the purchase of stock need not be required with respect to that part of any loan made by a bank for cooperatives which it sells to or makes in participation with financial institutions other than any of the banks for cooperatives. In such cases the distribution of earnings of the bank for cooperatives shall be on the basis of the interest in the loan retained by such bank.

SEC. 3.10. INTEREST RATES; SECURITY; LIEN; CANCELLATION; AND APPLICATION ON INDEBTEDNESS.—(a) Loans made by a bank for cooperatives shall bear interest at a rate or rates determined by the board of directors of the bank from time to time. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the net cost of money to the bank, necessary reserves and expenses of the bank, and services provided. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of

the loan, in accordance with the rate or rates currently being charged by the bank.

(b) Loans shall be made upon such terms, conditions, and security, if any, as may be determined by the bank in accordance with regulations of the Farm Credit Administration.

(c) Each bank for cooperatives shall have a first lien on all stock or other equities in the bank as collateral for the payment of any indebtedness of the owner thereof to the bank. **[In the case of a direct loan to an eligible cooperative by the Central Bank, the Central Bank shall have a first lien on the stock and equities of the borrower in the district bank and the district bank shall have a lien thereon junior only to the lien of the Central Bank.]**

(d) In any case where the debt of a borrower is in default, or in any case of liquidation or dissolution of a present or former borrower from a bank for cooperatives, the bank may, but shall not be required to, retire and cancel all or a part of the stock, allocated surplus or contingency reserves, or any other equity in the bank owned by or allocated to such borrower, at the fair market value thereof not exceeding par, and, to the extent required in such cases, corresponding shares and allocations and other equity interests held by a **[district]** bank in another **[district]** bank *for cooperatives or successor bank* on account of such indebtedness, shall be retired or equitably adjusted. In no event shall the bank's equities be retired or canceled if the retirement or cancellation would adversely affect the bank's capital structure, as determined by the Farm Credit Administration.

SEC. 3.11. EARNINGS AND RESERVES; APPLICATION OF SAVINGS.—

(a) At the end of each fiscal year, the net savings shall, under regulations prescribed by the Farm Credit Administration, continue to be applied on a cooperative basis with provision for sound, adequate capitalization to meet the changing financing needs of eligible cooperative borrowers and prudent corporate fiscal management, to the end that current year's patrons carry their fair share of the capitalization, ultimate expenses, and reserves related to the year's operations and the remaining net savings shall be distributed as patronage refunds as provided in **[subsections (b) and (c)] subsection (b)** of this section. Such regulations may provide for application of net savings to the restoration or maintenance of an allocated surplus account, reasonable additions to unallocated surplus, or to unallocated reserves after payment of operating expenses, and provide for allocations to patrons not qualified under the Internal Revenue Code, or payment of such per centum of patronage refunds in cash, as the board may determine.

(b) The net savings of each **[district]** bank for cooperatives, after the earnings for the fiscal year have been applied in accordance with subsection (a) shall be paid in stock, participation certificates, or cash, or in any of them, as determined by its board, as patronage refunds to borrowers to whom such refunds are payable who are borrowers of the fiscal year for which such patronage refunds are distributed. **[Except as provided in subsection (c) below, all]** All patronage refunds shall be paid in proportion that the amount of interest and service fees on the loans to each borrower during the year bears to the interest and service fees on the loans of all borrowers during the year or on such other proportionate patronage basis as may be approved by the board of directors.

[(c) The net savings of the Central Bank for Cooperatives after the earnings for the fiscal year have been applied in accordance with subsection (a) shall be paid in stock or cash, or both, as determined by the board, as patronage refunds to the district banks on the basis of interest held by the Central Bank in loans made by the district banks and upon any direct loans made by the Central Bank to cooperative associations, or on such other proportionate patronage basis as may be approved by the board of directors. In cases of direct loans, such refund shall be paid to the district bank or banks which issued their stock to the borrower incident to such loans, and the district bank or banks shall issue a like amount of patronage refunds to the borrower.

[(d)] (c) In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any applicable reserves), such loss may be carried forward or carried back, if appropriate, or otherwise shall be absorbed by charges to unallocated reserve or surplus accounts established after the date of enactment of this Act; charges to allocated contingency reserve account; charges to allocated surplus accounts; charges to other contingency reserve and surplus accounts; the impairment of voting stock; or the impairment of all other stock.

[(e)] (d) Notwithstanding any other provisions of this section any costs or expenses attributable to a prior year or years but not recognized in determining the net savings for such year or years may be charged to reserves or surplus of the bank or to patronage allocations for such years, as may be determined by the board of directors.

[(f)] (e) A bank for cooperatives may pay in cash such portion of its patronage refunds as will permit its taxable income to be determined without taking into account savings applied as allocated surplus, allocated contingency reserves, and patronage refunds under subsection (a) of this section.

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PART B— [UNITED AND] NATIONAL BANKS FOR COOPERATIVES

SEC. 3.20. CHARTER, POWERS, AND OPERATION.

(a) CHARTER.—The National Bank for Cooperatives [or the United Bank for Cooperatives, as the case may be] (hereinafter in this part referred to as the consolidated bank), established under section 413 of the Agricultural Credit Act of 1987, shall be a federally chartered instrumentality of the United States and an institution of the Farm Credit System.

(b) POWERS.—The consolidated bank and the board of directors of such bank shall have all of the powers, rights, responsibilities, and obligations of [the district banks for cooperatives and the Central Bank for Cooperatives] *all constituent banks referred to in section 413 of the Agricultural Credit Act of 1987* and the boards of directors of such banks, except as otherwise provided for in this Act.

(c) OPERATION.—The consolidated bank shall be organized and operated on a cooperative basis.

[SEC. 3.21. BOARD OF DIRECTORS PROVISIONS.

[(a) INITIAL BOARD OF DIRECTORS.—The initial board of directors of a consolidated bank shall include the members of the boards of

directors of the farm credit districts who were elected by voting stockholders of the constituent district banks for cooperatives (as such banks existed on the date of the enactment of this section) and who shall serve out the terms for which they were elected.

[(b) PERMANENT BOARD OF DIRECTORS.—

[(1) COMPOSITION.—The permanent board of directors of a consolidated bank shall consist of—

[(A) three members, elected by the voting stockholders of the consolidated bank, from each of the farm credit districts that had been served by constituent banks, as such districts existed on the date of the enactment of this section, at least one of whom, from each such district, shall be a farmer;

[(B) one member elected by the voting stockholders of each district bank for cooperatives that is not a constituent of the consolidated bank; and

[(C) one member appointed by the members chosen under subparagraphs (A) and (B) who shall not be a stockholder or borrower of a System institution or an officer or director of any such stockholder or borrower.

[(2) NOMINATION AND ELECTION.—For purposes of nominating and electing members of the board of directors under paragraph (1)(A):

[(A) FIRST MEMBER.—The nomination and election of the first member from each district shall be carried out on the basis provided for in section 3.3(d).

[(B) SECOND MEMBER.—

[(i) IN GENERAL.—The nomination and election of the second member from each district shall be carried out with each voting stockholder of the consolidated bank located in the district having one vote, plus a number of votes (or fractional part thereof) equal to the number of stockholders eligible to vote in that district multiplied by the percentage (or fractional part thereof) of the total equity interest (including allocated, but not unallocated, surplus and reserves) in the consolidated bank of all such stockholders located in that district held by the individual voting stockholder—

[(I) at the close of the immediately preceding fiscal year of the consolidated bank; or

[(II) with respect to the first election held under this subsection, as of such date as the Farm Credit Administration shall prescribe.

[(ii) TOTAL NUMBER OF VOTES.—The total number of votes for each district under this subparagraph shall be the number of voting stockholders of the consolidated bank located in the district multiplied by two.

[(C) THIRD MEMBER.—The nomination and election of the third member from each district shall be carried out in accordance with procedures prescribed in the bylaws of the consolidated bank.

[(3) TERMS.—

[(A) IN GENERAL.—The members of the board of directors of the consolidated bank shall serve for a term of 3 years.

[(B) TIMING OF ELECTIONS.—Procedures for electing members of the board of directors of the consolidated bank under this subsection shall ensure that the beginning of the terms of such members coincide with the expiration of the terms of members of the interim board of directors of the bank under subsection (a).

[(4) FCA REGULATIONS.—The nomination and election of the members of the board of directors of the consolidated bank under this subsection shall be carried out in accordance with regulations issued by the Farm Credit Administration.

[(c) MODIFICATION OF BOARD OF DIRECTORS PROVISIONS.—The provisions of subsection (b) relating to the board of directors of the consolidated bank, other than the provisions relating to the initial composition, nomination, and election of the members of the board, may be modified on an affirmative vote of at least two-thirds of the voting stockholders of the bank, with each such stockholder to have, for such purposes, only one vote. Any proposals for modifying such provisions shall be submitted for a vote by such stockholders in accordance with procedures prescribed by the Farm Credit Administration.]

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SEC. 3.28. LENDING LIMITS.

The Farm Credit Administration may not establish lending limits for the consolidated bank with respect to any loans or borrowers that are more restrictive than the combined lending limits that were previously established by the Farm Credit Administration for [a district bank for cooperatives and the Central Bank for Cooperatives] *its constituent banks referred to in section 413 of the Agricultural Credit Act of 1987* with respect to such loans or borrowers.

[SEC. 3.29. REPORTS BY MERGED BANKS FOR COOPERATIVES.

[(a) IN GENERAL.—When two or more banks for cooperatives merge, the resulting bank shall, not later than December 31 of each year of the succeeding 5 years following the date of the merger, file an annual report with the Farm Credit Administration that—

- [(1) analyzes the effect of the merger;
- [(2) includes a breakdown of loans outstanding according to the size of the cooperative stockholders of the bank; and
- [(3) describes the adequacy of credit and other assistance services provided smaller cooperatives.

[(b) AVAILABILITY.—A copy of the report required in subsection (a) shall be made available to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.]

TITLE IV—PROVISIONS APPLICABLE TO TWO OR MORE
CLASSES OF INSTITUTIONS OF THE SYSTEM

PART A—FUNDING

SEC. 4.0. REVOLVING FUND.

【The revolving fund established by this section (in effect immediately before the date of the enactment of the Agricultural Credit Act of 1987) shall be available to the Farm Credit Administration and the Assistance Board during the periods, and for the purposes, provided for in sections 6.13 and 6.7, respectively.】

* * * * *

SEC. 4.8. PURCHASE AND SALE OF OBLIGATIONS.—【(a) Each bank of the System may purchase its own obligations and the obligations of other banks of the System and may provide for the sale of obligations issued by it, consolidated obligations, or System-wide obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

【(b) Through December 31, 1992, each bank of the System, in addition to purchasing obligations as authorized by this Act, may, with the prior approval of the Farm Credit Administration and subject to such conditions as it may establish, (1) reduce the cost of its borrowings by doing one or more of the following: (A) contracting with a third party, or an entity that is established as a limited purpose System institution under section 4.25 and that is not to be included in the combined financial statements of other System institutions, with respect to the payment of interest on the bank's obligations and the obligations of other banks incurred before January 1, 1985, in consideration of the payment of market interest rates on such obligations, plus a premium, or (B) for the period July 1, 1986, through December 31, 1992, capitalizing interest costs on obligations incurred before January 1, 1985, in excess of the estimated interest costs on an equivalent amount of Farm Credit System obligations at prevailing market rates on such obligations of similar maturities as of the date of the enactment of this subsection, or (C) taking other similar action; and (2) amortize, over a period of not to exceed 20 years, the capitalization of the premium, capitalization of interest expense, or like costs of any action taken under clause (1).】

SEC. 4.9. FEDERAL FARM CREDIT BANKS FUNDING CORPORATION.

(a) **ESTABLISHMENT.**—There is hereby established the Federal Farm Credit Banks Funding Corporation (hereinafter in this section referred to as the “Corporation”), which shall be an institution of the Farm Credit System.

(b) **DUTIES.**—The Corporation—

(1) shall issue, market, and handle the obligations of the banks of the Farm Credit System, and interbank or inter-system flow of funds as may from time to time be required;

(2) acting for the banks of the Farm Credit System, subject to approval of the Farm Credit Administration, shall determine the amount, maturities, rates of interest, terms, and conditions of participation by the several banks in each issue of joint, consolidated, or System-wide obligations; and

(3) shall exercise such other powers as were provided to the predecessor Federal Farm Credit Banks Funding Corporation in accordance with its charter issued under section 4.25, in effect immediately before the date of the enactment of the Agricultural Credit Act of 1987.

(c) OFFICERS AND COMMITTEES.—

(1) DESIGNATION.—The board of directors may designate such officers and committees for such terms and such purposes as may be agreed on by the board.

(2) ISSUANCE OF OBLIGATIONS.—When appropriate to the board's functions under this section, a committee of the board of directors of the Corporation, or representatives thereof, may act on behalf of the board in connection with the issuance of joint, consolidated, and System-wide obligations.

(d) BOARD OF DIRECTORS.—

(1) COMPOSITION.—The board of directors shall be composed of nine voting members and one nonvoting member, as follows:

(A) Four voting members shall be current or former directors of the System banks elected by the shareholders of the Corporation.

(B) Three voting members shall be chief executive officers or presidents of System banks elected by the shareholders of the Corporation.

(C) Two voting members shall be appointed by the members elected under subparagraphs (A) and (B) after the elected members have received recommendations for such appointments from, and consulted with, the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System. The appointed members shall be selected from United States citizens—

(i) who are not borrowers from, shareholders in, or employees or agents of any System institution, who are not affiliated with the Farm Credit Administration, and who are not actively engaged with a bank or investment organization that is a member of the Corporation's selling group for System-wide securities; and

(ii) who are experienced or knowledgeable in corporate and public finance, agricultural economics, and financial reporting and disclosure.

(D) The president of the Corporation shall serve as a nonvoting member of the board.

In selecting candidates under subparagraphs (A) and (B), due consideration shall be given to choosing individuals knowledgeable in agricultural economics, public and corporate finance, and financial reporting and disclosure.

[(2) NON-VOTING REPRESENTATIVES.—

[(A) ASSISTANCE BOARD.—During the period in which the Assistance Board is in existence, the board of directors of the Assistance Board shall designate one of its directors to serve as a non-voting representative to the board of directors of the Corporation.

[(B) MEETINGS.—The person designated by the Assistance Board under subparagraph (A) may attend and par-

participate in all deliberations of the board of directors of the Corporation.

[(C) TERMINATION OF ASSISTANCE BOARD.—After termination of the Assistance Board, neither the Assistance Board nor its successor, the Farm Credit System Insurance Corporation, shall have any representation on the board of directors of the Corporation.]

(2) REPRESENTATION ON BOARD.—*The Farm Credit System Insurance Corporation shall have no representation on the board of directors of the Corporation.*

[(e) TRANSITIONAL AUTHORITY.—Until a majority of the voting members of the board of directors of the Corporation is elected, which shall occur as soon as is practicable after the enactment of this section—

[(1) the finance committee established under section 4.5 in effect before the date of the enactment of this section, and the fiscal agency established under section 4.9 in effect before such date of enactment, shall continue to operate as if this section had not been enacted; and

[(2) the board of directors of the predecessor Federal Farm Credit Banks Funding Corporation shall be the board of directors of the Financial Assistance Corporation.

[(f) (e) SUCCESSION.—

(1) ASSETS AND LIABILITIES.—The Corporation shall, by operation of law and without any further action by the Farm Credit Administration, the predecessor Federal Farm Credit Banks Funding Corporation (hereinafter referred to in this subsection as “the predecessor corporation”) chartered under this Act, or any court, succeed to the assets of and assume all debts, obligations, contracts, and other liabilities of the predecessor corporation, matured or unmatured, accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against on balance sheets, books of account, or records of the predecessor corporation.

(2) CONTRACTS.—The existing contractual obligations, security instruments, and title instruments of the predecessor corporation shall, by operation of law and without any further action by the Farm Credit Administration, the predecessor corporation, or any court, become and be converted into obligations, entitlements, and instruments of the Corporation.

(3) STOCK.—The stock of the predecessor corporation, issued before the date of the enactment of this section shall, by operation of law and without any further action by the Farm Credit Administration, the predecessor corporation, or any court, become and be converted into stock of the Corporation established by this section.

(4) TAXATION.—The succession to assets, assumption of liabilities, conversion of obligations, instruments, and stock, and effectuation of any other transaction by the Corporation to carry out this subsection shall not be treated as a taxable event under the laws of any State or political subdivision thereof.

SEC. 4.9A. PROTECTION OF BORROWER STOCK.

(a) RETIREMENT OF STOCK.—Notwithstanding any other section of this Act, each institution of the Farm Credit System, when retir-

ing eligible borrower stock in accordance with this Act, shall retire such stock at par value.

(b) CERTAIN POWERS NOT AFFECTED.—This section does not affect the authority of any institution of the Farm Credit System—

(1) to retire or cancel borrower stock at part value for application against a loan in default;

(2) to cancel borrow stock at par value under section 4.14B;

or

(3) to apply, against any outstanding indebtedness to a System association arising out of or in connection with a liquidation referred to in subsection (d)(2), the par value of borrower stock frozen in such liquidation.

[(c) INABILITY TO RETIRE STOCK AT PAR VALUE.—If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the receiver of the institution shall retire such stock at par value as would have been retired in the ordinary course of business of the institution, and—

[(1) during the 5-year period beginning on the date of the enactment of the Agricultural Credit Act of 1987, the Assistance Board shall direct the Financial Assistance Corporation to provide the receiver with sufficient funds to enable the receiver to carry out this subsection; and

[(2) after such 5-year period, the Farm Credit System Insurance Corporation shall provide the receiver with sufficient funds from the Farm Credit Insurance Fund to enable the receiver to carry out this subsection.]]

(c) INABILITY TO RETIRE STOCK AT PAR VALUE.—If an institution is unable to retire eligible borrower stock at par value due to the liquidation of the institution, the Farm Credit System Insurance Corporation, acting as receiver, shall retire such stock at par value as would have been retired in the ordinary course of business of the institution. The Farm Credit System Insurance Corporation shall make use of sufficient funds from the Farm Credit Insurance Fund to carry out this section.

(d) DEFINITIONS.—For purposes of this section:

(1) BORROWER STOCK.—The term “borrower stock” means voting and nonvoting stock, equivalent contributions to a guaranty fund, participation certificates, allocated equities, and other similar entities that are subject to retirement under a revolving cycle issued by any System institution and held by any person other than any System institution.

(2) ELIGIBLE BORROWER STOCK.—The term “eligible borrower stock” means borrower stock that—

(A) is outstanding on the date of the enactment of this section;

(B) is issued or allocated after the date of the enactment of this section, but prior to the earlier of—

(i) in the case of each bank and association, the date of approval, by the stockholders of such bank or association, of the capitalization requirements of the institution in accordance with section 4.3A; or

(ii) the date that is 9 months after the date of the enactment of this section;

(C) was, after January 1, 1983, but before the date of the enactment of this section, frozen by an institution that was placed in liquidation; or

(D) was retired at less than par value by an institution that was placed in liquidation after January 1, 1983, but before the date of the enactment of this section.

(3) INSTITUTION.—The term “institution” means a bank or association chartered under this Act.

(4) PAR VALUE.—The term “par value” means—

(A) in the case of stock, par value;

(B) in the case of participation certificates and other equities and interests not described in subparagraph (C), face or equivalent value; or

(C) in the case of participation certificates and allocated equities subject to retirement under a revolving cycle but that a System institution elects to retire out of order for application against a loan in default or otherwise as provided in this Act, par or face value discounted, at a rate determined by the institution, to reflect the present value of the equity or interest as of the date of such retirement.

PART B—DISSOLUTION

* * * * *

SEC. 4.12A. COMMUNICATIONS WITH STOCKHOLDERS.

(a) PROVISION OF STOCKHOLDER LISTS.—

[(1) IN GENERAL.—Within 7 days after receipt of a written request by a stockholder, a bank for cooperatives, Federal land bank association, or production credit association shall provide a current list of its stockholders to such requesting stockholder.]

(1) IN GENERAL.—Every Farm Credit System bank or association shall provide a current list of its stockholders, within 7 calendar days after receipt of a written request by a stockholder, to the requesting stockholder.

(2) CONDITIONS.—As a condition of providing a stockholder list under paragraph (1), the bank or association may require that the stockholder agree and certify in writing that the stockholder will—

(A) use the list exclusively for communicating with stockholders for permissible purposes; and

(B) not make the list available to any person, other than the stockholder’s attorney or accountant, without first obtaining the written consent of the institution.

(b) ALTERNATIVE COMMUNICATIONS.—

(1) REQUEST TO ISSUE.—As an alternative to receiving a list of stockholders, a stockholder may request the institution to mail or otherwise furnish to each stockholder a communication for a permissible purpose on behalf of the requesting stockholder.

(2) WHEN PERMISSIBLE.—Alternative communications may be used, at the discretion of the requesting stockholder, if the requester agrees to defray the reasonable costs of the communication. If the requester decides to exercise this option, the institution shall provide the requester with a written estimate of

the costs of handling and mailing the communication as soon as is practicable after receipt of the stockholder's request to furnish the communication.

PART C—RIGHTS OF BORROWERS; LOAN RESTRUCTURING

* * * * *

SEC. 4.14A. RESTRUCTURING DISTRESSED LOANS.

(a) DEFINITIONS.—As used in this part *and* section 4.36:

(1) APPLICATION FOR RESTRUCTURING.—The term “application for restructuring” means a written request—

(A) from a borrower for the restructuring of a distressed loan in accordance with a preliminary restructuring plan proposed by the borrower as a part of the application;

(B) submitted on the appropriate forms prescribed by the qualified lender; and

(C) accompanied by sufficient financial information and repayment projections, where appropriate, as required by the qualified lender to support a sound credit decision.

(2) COST OF FORECLOSURE.—The term “cost of foreclosure” includes—

(A) the difference between the outstanding balance due on a loan made by a qualified lender and the liquidation value of the loan, taking into consideration the borrower's repayment capacity and the liquidation value of the collateral used to secure the loan;

(B) the estimated cost of maintaining a loan as a nonperforming asset;

(C) the estimated cost of administrative and legal actions necessary to foreclose a loan and dispose of property acquired as the result of the foreclosure, including attorneys' fees and court costs;

(D) the estimated cost of changes in the value of collateral used to secure a loan during the period beginning on the date of the initiation of an action to foreclose or liquidate the loan and ending on the date of the disposition of the collateral; and

(E) all other costs incurred as the result of the foreclosure or liquidation of a loan.

(3) DISTRESSED LOAN.—The term “distressed loan” means a loan that the borrower does not have the financial capacity to pay according to its terms and that exhibits one or more of the following characteristics:

(A) The borrower is demonstrating adverse financial and repayment trends.

(B) The loan is delinquent or past due under the terms of the loan contract.

(C) One or both of the factors listed in subparagraphs (A) and (B), together with inadequate collateralization, present a high probability of loss to the lender.

(4) FORECLOSURE PROCEEDING.—The term “foreclosure proceeding” means—

(A) a foreclosure or similar legal proceeding to enforce a lien on property, whether real or personal, that secures a nonaccrual or distressed loan; or

(B) the seizing of and realizing on nonreal property collateral, other than collateral subject to a statutory lien arising under title I or II, to effect collection of a non-accrual or distressed loan.

(5) LOAN.—

(A) IN GENERAL.—Subject to subparagraph (B), the term “loan” means a loan made to a farmer, rancher, or producer or harvester of aquatic products, for any agricultural or aquatic purpose and other credit needs of the borrower, including financing for basic processing and marketing directly related to the borrower’s operations and those of other eligible farmers, ranchers, and producers or harvesters of aquatic products.

(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

(i) IN GENERAL.—Except as provided in clause (ii), the term “loan” does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

(ii) UNSOLD LOANS.—

(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, [4.14C,] 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.

(6) QUALIFIED LENDER.—The term “qualified lender” means—

(A) a System institution that makes loans (as defined in paragraph (5)) except a bank for cooperatives; and

(B) each bank, institution, corporation, company, union, and association described in section 1.7(b)(1)(B) but only with respect to loans discounted or pledged under section 1.7(b)(1).

(7) RESTRUCTURE AND RESTRUCTURING.—The terms “restructure” and “restructuring” include rescheduling, reamortization, renewal, deferral of principal or interest, monetary concessions, and the taking of any other action to modify the terms of, or forbear on, a loan in any way that will make it probable that the operations of the borrower will become financially viable.

(b) NOTICE.—

(1) IN GENERAL.—On a determination by a qualified lender that a loan made by the lender is or has become a distressed loan, the lender shall provide written notice to the borrower that the loan may be suitable for restructuring, and include with such notice—

(A) a copy of the policy of the lender established under subsection (g) that governs the treatment of distressed loans; and

(B) all materials necessary to enable the borrower to submit an application for restructuring on the loan.

(2) NOTICE BEFORE FORECLOSURE.—Not later than 45 days before any qualified lender begins foreclosure proceedings with respect to a loan outstanding to any borrower, the lender shall notify the borrower that the loan may be suitable for restructuring and that the lender will review any such suitable loan for restructuring, and shall include with such notice a copy of the policy and the materials described in paragraph (1).

(3) LIMITATION ON FORECLOSURE.—No qualified lender may foreclose or continue any foreclosure proceeding with respect to any distressed loan before the lender has completed any pending consideration of the loan for restructuring under this section.

(c) MEETINGS.—On determination by a qualified lender that a loan made by the lender is or has become a distressed loan, the lender shall provide a reasonable opportunity for the borrower thereof to personally meet with a representative of the lender—

(1) to review the status of the loan, the financial condition of the borrower, and the suitability of the loan for restructuring; and

(2) with respect to a loan that is in nonaccrual status, to develop a plan for restructuring the loan if the loan is suitable for restructuring.

(d) CONSIDERATION OF APPLICATIONS.—

(1) IN GENERAL.—When a qualified lender receives an application for restructuring from a borrower, the qualified lender shall determine whether or not to restructure the loan, taking into consideration—

(A) whether the cost to the lender of restructuring the loan is equal to or less than the cost of foreclosure;

(B) whether the borrower is applying all income over and above necessary and reasonable living and operating expenses to the payment of primary obligations;

(C) whether the borrower has the financial capacity and the management skills to protect the collateral from diversion, dissipation, or deterioration;

(D) whether the borrower is capable of working out existing financial difficulties, reestablishing a viable operation, and repaying the loan on a rescheduled basis; and

(E) in the case of a distressed loan that is not delinquent, whether restructuring consistent with sound lending practices may be taken to reasonably ensure that the loan will not become a loan that it is necessary to place in nonaccrual status.

(2) APPLICATIONS NOT REQUIRED FOR RESTRUCTURING PLANS.—This section shall not prevent a qualified lender from proposing a restructuring plan for an individual borrower in the absence of an application for restructuring from the borrower.

(e) RESTRUCTURING.—

(1) IN GENERAL.—If a qualified lender determines that the potential cost to such qualified lender of restructuring the loan in accordance with a proposed restructuring plan is less than or equal to the potential cost of foreclosure, the qualified lender shall restructure the loan in accordance with the plan.

(2) COMPUTATION OF COST OF RESTRUCTURING.—In determining whether the potential cost to the qualified lender of restructuring a distressed loan is less than or equal to the potential cost of foreclosure, a qualified lender shall consider all relevant factors, including—

(A) the present value of interest income and principal forgone by the lender in carrying out the restructuring plan;

(B) reasonable and necessary administrative expenses involved in working with the borrower to finalize and implement the restructuring plan;

(C) whether the borrower has presented a preliminary restructuring plan and cash-flow analysis taking into account income from all sources to be applied to the debt and all assets to be pledged, showing a reasonable probability that orderly debt retirement will occur as a result of the proposed restructuring; and

(D) whether the borrower has furnished or is willing to furnish complete and current financial statements in a form acceptable to the institution.

(f) LEAST COST ALTERNATIVE.—If two or more restructuring alternatives are available to a qualified lender under this section with respect to a distressed loan, the lender shall restructure the loan in conformity with the alternative that results in the least cost to the lender.

(g) RESTRUCTURING POLICY.—

(1) ESTABLISHMENT.—Each bank board of directors shall develop a policy within 60 days after the date of the enactment of this section, that is consistent with this section, to govern the restructuring of distressed loans. Such policy shall constitute the restructuring policy of each qualified lender within the district.

(2) CONTENTS OF POLICY.—The policy established under paragraph (1) shall include an explanation of—

(A) the procedure for submitting an application for restructuring; and

(B) the right of borrowers with distressed loans to seek review by a credit review committee in accordance with section 4.14 of a denial of an application for restructuring.

(3) SUBMISSION OF POLICY TO FCA.—Each bank board shall submit the policy of the district governing the treatment of distressed loans under this section to the Farm Credit Administration. Notwithstanding the duty imposed by the preceding sentence, the other duties imposed by this section shall take effect on the date of the enactment of this section.

(h) REPORTS.—During the 5-year period beginning on the date of the enactment of this section, each qualified lender shall submit semiannual reports to the Farm Credit Administration containing—

[(1) the results of the review of distressed loans of the lender; and

[(2) the financial effect of loan restructurings and liquidations on the lender.

[(i)] (h) COMPLIANCE.—The Farm Credit Administration may issue a directive requiring compliance with any provision of this section to any qualified lender that fails to comply with such provision.

[(j)] (i) PERMITTED FORECLOSURES.—This section shall not be construed to prevent any qualified lender from enforcing any contractual provision that allows the lender to foreclose a loan, or from taking such other lawful action as the lender deems appropriate, if the lender has reasonable grounds to believe that the loan collateral will be destroyed, dissipated, consumed, concealed, or permanently removed from the State in which the collateral is located.

[(k)] (j) APPLICATION OF SECTION.—The time limitation prescribed in subsection (b)(2), and the requirements of subsection (c), shall not apply to a loan that became a distressed loan before the date of the enactment of this section if the borrower and lender of the loan are in the process of negotiating loan restructuring with respect to the loan.

[(l)] (k) ASSISTANCE IN RESTRUCTURING.—Each Farm Credit Bank on request of any [production credit] association, may assist the association in restructuring loans under this section.

* * * * *

[SEC. 4.14C. REVIEW OF RESTRUCTURING DENIALS.]

[(a) REQUIREMENTS FOR RESTRUCTURING BY SYSTEM INSTITUTIONS.—

[(1) EXISTING NONACCRUAL LOANS.—Within 9 months after a qualified lender is certified under section 6.4, such lender shall review each loan that has not been previously restructured and that is in nonaccrual status on the date the lender is certified, and determine whether to restructure the loan.

[(2) NEW NONACCRUAL LOANS.—Within 6 months after a loan made by a certified lender is placed in nonaccrual status, the lender shall determine whether to restructure the loan.

[(b) SPECIAL ASSET GROUPS.—

[(1) ESTABLISHMENT.—Within 30 days after a qualified lender in a district is certified to issue preferred stock under section 6.27, the Farm Credit Bank board shall establish a special asset group that shall review each determination by the lender not to restructure a loan.

[(2) RESTRUCTURING PLAN.—If a special asset group determines under paragraph (1) that a loan under review should be restructured, the group shall prescribe a restructuring plan for the loan that the qualified lender shall implement.

[(c) NATIONAL SPECIAL ASSET COUNCIL.—

[(1) ESTABLISHMENT.—A National Special Asset Council shall be established by the Assistance Board to—

[(A) monitor compliance with the restructuring requirements of this section by qualified lenders certified to issue preferred stock under section 6.27, and by special asset groups established under subsection (b); and

[(B) review a sample of determinations made by each special asset group that a loan will not be restructured.

[(2) REVIEW OF DETERMINATION.—The National Special Asset Council shall review a sufficient number of determinations made by each special asset group to foreclose on any loan to assure the Council that such group is complying with this section. With regard to each determination reviewed, the Council shall make an independent judgment on the merits of the decision to foreclose rather than restructure the loan.

[(3) NONCOMPLIANCE.—If the National Special Asset Council determines that any special asset group is not in substantial compliance with this section, the Council shall notify the group of the determination, and may take such other action as the Council considers necessary to ensure that such group complies with this section.

[(d) REPORT.—With respect to determinations by a special asset group that a loan will not be restructured, the special asset group shall submit to the National Special Asset Council a report evaluating the loan and the basis for the determination that the loan should not be restructured.

[(e) RESTRUCTURING FACTORS.—In determining whether a loan is to be restructured, the National Special Asset Council, each special asset group, and each qualified lender certified under section 6.4 shall take into consideration the factors specified in section 4.14A(d)(1).]

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PART D—ACTIVITIES OF INSTITUTIONS OF THE SYSTEM

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SEC. 4.17. INTEREST RATES.—Interest rates on loans from institutions of the Farm Credit System shall not be subject to any interest rate limitation imposed by any State constitution or statute or other laws. Such limitation is preempted for purposes of this Act. Interest rates on loans made by agricultural credit corporations organized in conjunction with cooperative associations for the purpose of financing the ordinary crop operations of the members of such associations or other producers and eligible to discount with the [Federal intermediate credit banks and] Farm Credit Banks shall be exempt from any interest rate limitation imposed by any State constitution or statute or other laws which are hereby preempted for purposes of this Act.

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SEC. 4.19. YOUNG, BEGINNING, AND SMALL FARMERS AND RANCHERS.—

(a) Under policies of the [district] Farm Credit Bank board, each [Federal land bank association and production credit] association shall prepare a program for furnishing sound and constructive credit and related services to young, beginning, and small farmers and ranchers. Such programs shall assure that such credit and services are available in coordination with other [units] *institutions* of the Farm Credit System serving the territory and with other governmental and private sources of credit. Each program shall be subject to review and approval by the supervising bank.

(b) The Farm Credit Bank for each district shall annually obtain from associations under its supervision reports of activities under programs developed pursuant to subsection (a) and progress toward program objectives. On the basis of such reports, the bank shall provide to the Farm Credit Administration an annual report summarizing the operations and achievements in its district under such programs.

* * * * *

[SEC. 4.21. COMPENSATION OF BANK DIRECTORS.

[(a) IN GENERAL.—The Farm Credit Administration shall monitor the compensation of members of the board of directors of a System bank received as compensation for serving as a director of the bank to ensure that the amount of the compensation does not exceed a level of \$20,000 per year, as adjusted to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, unless the Farm Credit Administration determines that such level adversely affects the safety and soundness of the bank.

[(b) WAIVER.—The Farm Credit Administration may waive the limitation prescribed in subsection (a) under exceptional circumstances, as determined in accordance with regulations promulgated by the Farm Credit Administration.]

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PART G—MISCELLANEOUS

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SEC. 4.38. AFFIRMATIVE ACTION.

[The Assistance Board established under section 6.0 and all] *All* institutions of the Farm Credit System with more than 20 employees shall establish and maintain an affirmative action program plan that applies the affirmative action standards otherwise applied to contractors of the Federal Government.

SEC. 4.39. ENCOURAGEMENT OF CONSERVATION PRACTICES.

At the time a System institution or an agricultural mortgage loan originator (as defined in section **[8.0(7)] 8.0(6)**) approves a loan made to a borrower that, in the opinion of the institution or originator, would be ineligible for a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) by reason of subtitle B or C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.), the institution or originator, as the case may be, shall encourage the borrower to contact the Department of Agriculture Soil Conservation Service to obtain information about soil conservation methods and practices.

TITLE V—FARM CREDIT ADMINISTRATION ORGANIZATION

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PART B—FARM CREDIT ADMINISTRATION ORGANIZATION

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[SEC. 5.16. **QUARTERS AND FACILITIES FOR THE FARM CREDIT ADMINISTRATION.—** As an alternate]

SEC. 5.16. QUARTERS AND FACILITIES FOR THE FARM CREDIT ADMINISTRATION.

(a) *The Farm Credit Administration shall maintain its principal office within the Washington D.C.-Maryland-Virginia standard metropolitan statistical area, and such other offices within the United States as in its judgment are necessary.*

(b) *As an alternate to the rental of quarters under section 5.14, and without regard to any other provision of law, the banks of the System, with the concurrence of two-thirds of the bank boards, are hereby authorized—*

(1) To lease or acquire real property in the District of Columbia or elsewhere for quarters of the Farm Credit Administration.

(2) To construct, develop, furnish, and equip such building thereon and such facilities appurtenant thereto as in their judgment may be appropriate to provide, to the extent the Board may deem advisable, suitable, and adequate quarters and facilities for the Farm Credit Administration.

(3) To enlarge, remodel, or reconstruct the same.

(4) To make or enter into contracts for any of the foregoing.

(5) To sell or otherwise dispose of any interest in property leased or acquired under the foregoing if authorized by the Board.

The Board may require of the respective banks of the System, and they shall make to the Farm Credit Administration, such advances of funds for the purposes set out in this section as in the sole judgment of the Board may from time to time be advisable for the purposes of this section. Such advances shall be in addition to and kept in a separate fund from the assessments authorized in section 5.15 and shall be apportioned by the Board among the banks in proportion to the total assets of the respective banks, and determined in such manner and at such times as the Board may prescribe. The powers of the banks of the System and purposes for which obligations may be issued by such banks are hereby enlarged to include the purpose of obtaining funds to permit the making of advances required by this section. The plans and decisions for such building and facilities and for the enlargement, remodeling, or reconstruction thereof shall be such as is approved in the sole discretion of the Board. In actions undertaken by the banks pursuant to the foregoing provisions of this section, the Farm Credit Administration may act as agent for the banks.

SEC. 5.17. ENUMERATED POWERS.—(a) The Farm Credit Administration shall have the following powers, functions, and responsibilities in connection with the institutions of the Farm Credit System and the administration of this Act:

(1) Modify the boundaries of farm credit districts, with due regard for the farm credit needs of the country, as approved by the Board, with the concurrence of the district banks involved.

(2)(A)(2) Where necessary or appropriate to carry out the policy and objectives of this Act, issue and approve amendments to Federal charters of institutions of the System; approve change in names of banks operating under this Act; approve the merger of districts when agreed to by the district bank boards involved and by a majority vote of the voting stockholders and contributors to the guaranty funds of each bank for each of such districts, voting in the same manner as is provided in section 7.0 of this Act; approve mergers and any re-

lated activities as provided for in title VII; and approve the consolidation or division of the territories of institutions when agreed to by a majority vote of the voting stockholders or contributors to the guaranty fund of each of the institutions involved; and approve consolidations of boards of directors when agreed to by a majority vote of the voting stockholders or contributors to the guaranty fund of each of the institutions involved. [In issuing charters and certificates of territory for district-wide mergers of associations where stockholders of one or more associations did not approve the merger, the charter of the new or merged association shall not include the territory of the disagreeing association or associations; charters issued during calendar year 1985 for district-wide new or merged associations which included the territory of a disagreeing association shall be revoked and reissued to exclude such territory, unless subsequently agreed to by the board of directors of such association or associations. The Farm Credit Administration Board shall ensure that disapproving associations (A) shall not be charged any assessment under this Act at a rate higher than that charged other like associations in the district, and (B) shall be provided with financial services and assistance on the same basis as other like associations in the district (including, but not limited to, access to credit and rates of interest on loans and discounts) by a district Farm Credit bank to the association and its member-borrowers.] The Farm Credit Administration Board, after consultation with the respective boards of directors of the affected banks, may require two or more banks operating under the same or different titles to merge if the Board determines that one of such banks has failed to meet its outstanding obligations.

(B) The Farm Credit Administration shall not issue a charter to, or approve an amendment to the charter of, any institution of the Farm Credit System to operate under title I or II that would authorize the institution to exercise lending authority, whether directly or indirectly as an agent of a Farm Credit Bank, in a territory in which the charter of another such institution authorizes the other institution to exercise like authority, whether directly or indirectly as an agent of a Farm Credit Bank, except with the approval of—

(i) in a case affecting only the charter of one or more associations—

(I) a majority of the shareholders (present and voting or voting by proxy) of each of the associations that would have like lending authority (whether directly or indirectly as an agent of a Farm Credit Bank) in any of that territory if the charter action were taken; and

(II) a majority of the board of directors of the Farm Credit Bank with which the affected associations are affiliated; or

(ii) in a case affecting the charter of one or more banks—

(I) a majority of the shareholders (present and voting or voting by proxy) of the affiliated associations of each of the banks that would have like lending authority in any of that territory if the charter action were taken;

(II) a majority of the shareholders (present and voting or voting by proxy) of each of the banks that would have like lending authority in any of that territory if the charter action were taken; and

(III) a majority vote of the boards of directors of each of the banks that would have like lending authority in any of that territory if the charter action were taken.

(C) Subparagraph (B) shall apply only in those geographic areas where, due to the failure of a Federal intermediate credit bank to merge in accordance with section 410(a) of the Agricultural Credit Act of 1987 (12 U.S.C. 2011 note), the Federal intermediate credit bank or its successor is chartered to provide short- and intermediate-term credit, and a neighboring Farm Credit Bank that is not the successor to the Federal intermediate credit bank is chartered to provide long-term credit, in the same geographic territory.

(3) Make annual reports directly to Congress on the condition of the System and its institutions, based on the examinations carried out under section 5.19 of this Act, and on the manner and extent to which the purposes and objectives of this Act are being carried out and, from time to time, recommend directly legislative changes. The annual reports shall include a summary and analysis of the reports submitted to the Farm Credit Administration by the Farm Credit Banks under section 4.19(b) Federal land banks and Federal intermediate credit banks under section 4.19(b) of this Act relating to programs for serving young, beginning, and small farmers and ranchers.

(4) Approve the issuance of obligations of the System under subsections (c) and (d) of section 4.2 of this Act for the purpose of funding the authorized operations of the institutions of the System, and prescribe collateral therefor.

(5) Grant approvals provided for under this Act either on a case-by-case basis or through regulations that confer approval on actions of Farm Credit System institutions.

(6) Establish standards for the System institutions with respect to loan security requirements and regulate the borrowing, repayment, and transfer of funds and equities between institutions of the System.

(7) Conduct loan and collateral security review.

(8) Regulate the preparation by System institutions and the dissemination to stockholders and investors of information on the financial condition and operations of such institutions, except that the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and the Farm Credit Administration may not require any System institution to disclose in any report to stockholders information concerning the condition or classification of a loan—

(A) to a director of the institution—

(i) who has resigned before the time for filing the applicable report with the Farm Credit Administration; or

- (ii) whose term of office will expire no later than the date of the meeting of stockholders to which the report relates; or
- (B) to a member of the immediate family of a director of the institution unless—
 - (i) the family member resides in the same household as the director; or
 - (ii) the director has a material financial or legal interest in the loan or business operation of the family member.
- (9) Prescribe rules and regulations necessary or appropriate for carrying out this Act.
- (10) Exercise the powers conferred on it under part C of this title for the purpose of ensuring the safety and soundness of System institutions.
- (11) Exercise such incidental powers as may be necessary or appropriate to fulfill its duties and carry out the purposes of this Act.
- (12) Require surety bonds or other provisions for protection of the assets of the institutions of the System against losses occasioned by employees.
- (13)(A) Subject to subparagraph (B), the Farm Credit Administration may approve an amendment to the charter of any institution of the Farm Credit System operating under title I or II, which would authorize the institution to exercise lending authority in any territory—
 - (i) in the geographic area served by an association that was reassigned pursuant to section 433 of the Agricultural Credit Act of 1987 (12 U.S.C. 2071 note) (where the geographic area was a part of the association's territory as of the date of the reassignment); and
 - (ii) in which the charter of an institution that is not seeking the charter amendment authorizes the institution to exercise the type of lending authority that is the subject of the charter request.
- (B) The Farm Credit Administration may approve a charter amendment under subparagraph (A) only on the approval of—
 - (i) the respective boards of directors of the associations that, if the charter request is approved, would exercise like lending authority in any of the territory that is the subject of the charter request;
 - (ii) a majority of the stockholders of each association described in clause (i) voting, in person or by proxy, at a duly authorized stockholders' meeting; and
 - (iii) the respective boards of directors of the Farm Credit Banks that, if the charter request is approved, would exercise, either directly or through associations, like lending authority in any of the territory described in subparagraph (A)(i).
- (14)(A) Subject to subparagraph (B), the Farm Credit Administration may approve a request to charter an association of the Farm Credit System to operate under title II where the proposed charter—
 - (i) will include any of the geographic area included in the territory served by an association that was reassigned

pursuant to section 433 of the Agricultural Credit Act of 1987 (12 U.S.C. 2071 note) (where the geographic area was a part of the association's territory as of the date of the re-assignment); and

(ii) will authorize the association to exercise lending authority in any territory in the geographic area in which the charter of an association that is not requesting the charter authorizes the association to exercise the type of lending authority that is the subject of the charter request.

(B) The Farm Credit Administration may approve a charter request under subparagraph (A) only on the approval of—

(i) the respective boards of directors of the associations that, if the charter request is approved, would exercise like lending authority in any of the territory that is the subject of the charter request;

(ii) a majority vote of the stockholders (if any) of each association described in clause (i) voting, in person or by proxy, at a duly authorized stockholder's meeting; and

(iii) the respective boards of directors of the Farm Credit Banks that, if the charter request is approved, would exercise, either directly or through associations, like lending authority in any of the territory described in subparagraph (A)(i).

(15)(A) Approve amendments to the charters of institutions of the Farm Credit System to implement the equalization of loan-making powers of a Farm Credit System association under section 7.7.

(B) Amendments described in subparagraph (A) to the charters of an association and the related Farm Credit Bank shall be approved by the Farm Credit Administration, subject to any conditions of approval imposed, by not later than 30 days after the date on which the Farm Credit Administration receives all approvals required by section 7.7(a)(2).

(b) The Farm Credit Administration shall not have authority, either direct or indirect, to approve bylaws, or any amendments or modifications or changes to bylaws, of System institutions.

(c)(1) At least thirty days prior to publishing any proposed regulation in the Federal Register, the Farm Credit Administration shall transmit a copy of the regulation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. The Farm Credit Administration shall also transmit to such committees a copy of any final regulation prior to its publication in the Federal Register. Except as provided in paragraph (2) of this subsection, no final regulation of the Farm Credit Administration shall become effective prior to the expiration of thirty calendar days after it is published in the Federal Register during which either or both Houses of the Congress are in session.

(2) In the case of an emergency, a final regulation of the Farm Credit Administration may become effective without regard to the last sentence of paragraph (1) of this subsection if the Farm Credit Administration notifies in writing the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the reasons why

it is necessary to make the regulation effective prior to the expiration of the thirty-day period.

(d)(1) If there are any unresolved differences between the Farm Credit Administration and the Board of Governors of the Federal Reserve System as to whether any regulation implementing section 3.7(b) or the other provisions of title III relating to the authority under section 3.7(b) conforms to national banking policies, objectives, and limitations, simultaneously with promulgation of any such regulation under this Act, and simultaneously with promulgation of any regulation implementing section 1.7(b), the Farm Credit Administration shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the regulation shall not become effective if, within ninety calendar days of continuous session of Congress after the date of promulgation, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: "That Congress disapproves the regulation promulgated by the Farm Credit Administration dealing with the matter of _____, which regulation was transmitted to _____ Congress on _____", the blank spaces therein being appropriately filled.

(2) If at the end of sixty calendar days of continuous session of Congress after the date of promulgation of a regulation, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the regulation, and neither House has adopted such a resolution, the regulation may go into effect immediately. If, within such sixty calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the regulation may go into effect not sooner than ninety calendar days of continuous session of Congress after its promulgation unless disapproved as provided in paragraph (1).

(3) For the purposes of paragraphs (1) and (2) of this subsection—

(i) continuity of session is broken only by an adjournment of Congress sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of sixty and ninety calendar days of continuous session of Congress.

(4) Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such regulation.

[SEC. 5.18. PRIOR DELEGATIONS.— Any delegations by the Farm Credit Administration and redelegations thereof made in accordance with section 5.19 of the Farm Credit Act of 1971 as in effect prior to the effective date of the Farm Credit Amendments Act of 1985 may continue in full force and effect, at the discretion of the Farm Credit Administration, for the period ending twelve months after the date of enactment of such Act.]

SEC. 5.19. EXAMINATIONS.—(a) **[Except for Federal land bank associations, each]** *Each* institution of the System shall be examined by Farm Credit Administration examiners at such times as the

Board may determine, but in no event less than once during each 18-month period. **Each Federal land bank association shall be examined by Farm Credit Administration examiners at such times as the Farm Credit Administration Board may determine, except that each such association shall be examined at least once every three years.** Such examinations may include, if appropriate, but are not limited to, an analysis of credit and collateral quality and capitalization of the institution, and appraisals of the effectiveness of the institution's management and application of policies governing the carrying out of this Act and regulations of the Farm Credit Administration and servicing all eligible borrowers. Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank. At the direction of the Board, Farm Credit Administration examiners also shall make examinations of the condition of any organization, other than federally regulated financial institutions, to, for, or with which any institution of the System contemplates making a loan or discounting paper. For the purposes of this Act, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, and Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

(b)**(1)** Each institution of the System shall make and publish an annual report of condition as prescribed by the Farm Credit Administration. Each such report shall contain financial statements prepared in accordance with generally accepted accounting principles, **except with respect to any actions taken by any banks of the System under section 4.8(b),** and contain such additional information as the Farm Credit Administration by regulation may require. **Notwithstanding the provisions of the preceding sentence and any other provision of this Act, for the period July 1, 1986, through December 31, 1988, the institutions of the Farm Credit System may, on the prior approval of the Farm Credit Administration and subject to such conditions as it may establish, capitalize annually their provision for losses that is in excess of one-half of 1 percent of loans outstanding and amortize such capitalized amounts over a period not to exceed 20 years.** Such financial statements of System institutions shall be audited by an independent public accountant.

(2) In accordance with the regulations of the Farm Credit Administration, for the period ending December 31, 1992, System institutions are authorized to use the authorities contained in the third sentence of paragraph (1) except as otherwise provided in section 6.6.

(3) Any preferred stock issued under section 6.27 shall be subordinated to, and impaired before, other stock or equities of the institution.

(c) The Farm Credit Administration may publish the report of examination of any System institution that does not, before the end of the 120th day after the date of notification of the recommendations and suggestions of the Farm Credit Administration, based on such examination, comply with such recommendations and suggestions to the satisfaction of the Farm Credit Administration. The

Farm Credit Administration shall give notice of intention to publish in the event of such noncompliance at least 90 days before such publication. Such notice of intention may be given any time after such notification of recommendations and suggestions.

(d) On receipt of a request made under section 5.59(b)(1)(B) with respect to a System institution, the Farm Credit Administration shall—

(1) furnish for the confidential use of the Farm Credit System Insurance Corporation reports of examination of the institution and other reports or information on the institution; and

(2)(A) examine, or obtain other information on, the institution and furnish for the confidential use of the Farm Credit System Insurance Corporation the report of the examination and such other information; or

(B) if the Farm Credit Administration Board determines that compliance with the request would substantially impair the ability of the Farm Credit Administration to carry out the other duties and responsibilities of the Farm Credit Administration under this Act, notify the Board of Directors of the Farm Credit System Insurance Corporation that the Farm Credit Administration will be unable to comply with the request.

(e) *A System institution shall not be considered to have waived the confidentiality of a privileged communication with an attorney or accountant if the institution provides the content of the communication to the Farm Credit Administration pursuant to the supervisory or regulatory authorities of the Farm Credit Administration.*

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PART C—ENFORCEMENT POWERS OF FARM CREDIT ADMINISTRATION

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SEC. 5.31. JURISDICTION AND ENFORCEMENT.—The Farm Credit Administration may in its discretion apply to the United States district court, or the United States court of any territory, within the jurisdiction of which the home office of the institution is located, for the enforcement of any effective and outstanding notice or order issued under this part, and such courts shall have jurisdiction and power to order and require compliance herewith; but except as otherwise provided in this part no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this part, or to review, modify, suspend, terminate, or set aside any such notice or order. For purposes of this section, any directive issued under section 4.3(b)(2), 4.3A(e), or [4.14A(i)] 4.14A(h) shall be treated as an effective and outstanding order issued under section 5.25 that has become final.

SEC. 5.31A. SCOPE OF JURISDICTION.

(a) *For purposes of sections 5.25, 5.26, and 5.33, the jurisdiction of the Farm Credit Administration over parties, and the authority of the Farm Credit Administration to initiate actions, shall include enforcement authority over institution-affiliated parties.*

(b) *The resignation, termination of employment or participation, or separation of an institution-affiliated party (including a separation caused by the merger, consolidation, conservatorship, or receivership of a System institution) shall not affect the jurisdiction and*

authority of the Farm Credit Administration to issue any notice or order and proceed under this part against any such party, if the notice or order is served before the end of the 6-year period beginning on the date the party ceased to be such a party with respect to the System institution (whether the date occurs before, on, or after the date of the enactment of this section).

SEC. 5.32. PENALTY.—(a) Any institution in the System that violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of such an institution who violates the terms of any order that has become final and was issued under section 5.25 or 5.26 of this Act, shall forfeit and pay a civil penalty of not more than \$1,000 per day for each day during which such violation continues. Any such institution or person who violates any provision of this Act or any regulation issued under this Act shall forfeit and pay a civil penalty of not more than \$500 per day for each day during which such violation continues. Notwithstanding the preceding sentences, the Farm Credit Administration may, in its discretion, compromise, modify, or remit any civil money penalty that is subject to imposition or has been imposed under such authority. The penalty may be assessed and collected by the Farm Credit Administration by written notice.

(b) Before determining whether to assess a civil money penalty and determining the amount of such penalty, the Farm Credit Administration shall notify the institution or person to be assessed of the violation or violations alleged to have occurred or to be occurring, and shall solicit the views of the institution or person regarding the imposition of such penalty. In determining the amount of the penalty, the Farm Credit Administration shall take into account the appropriateness of the penalty with respect to the size of financial resources and good faith of the System institution or person charged, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

(c) The System institution or person assessed shall be afforded an opportunity for a hearing by the Farm Credit Administration, upon request made within ten days after issuance of the notice of assessment. In such hearing all issues shall be determined on the record pursuant to section 554 of title 5 of the United States Code. The Farm Credit Administration determination shall be made by final order which may be reviewed only as provided in subsection (d). If no hearing is requested as herein provided, the assessment shall constitute a final and unappealable order.

(d) Any System institution or person against whom an order imposing a civil money penalty has been entered after a Farm Credit Administration hearing under this section may obtain review by the United States court of appeals for the circuit in which the home office of the System institution is located, or the United States Court of Appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within twenty days after the service of such order, and simultaneously sending a copy of such notice by registered or certified mail to the Farm Credit Administration. The Farm Credit Administration shall promptly certify and file in such Court the record upon which the penalty was imposed, as provided in section 2112 of title 28 of the United States Code. Final orders of the Farm Credit Administration issued under subsection (c) shall be reviewable under chapter 7 of title 5, United States Code.

(e) If any System institution or person fails to pay an assessment after it has become a final and unappealable order, or after the court of appeals has entered final judgment in favor of the Farm Credit Administration, the Farm Credit Administration shall refer the matter to the Attorney General, who shall recover the amount assessed by action in the appropriate United States district court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

(f) The Farm Credit Administration shall promulgate regulations establishing procedures necessary to implement section 5.31 and this section.

(g) All penalties collected under authority of this section shall be covered into the Treasury of the United States.

(h) For purposes of this section, any directive issued under section 4.3(b)(2), 4.3A(e), or ~~4.14A(i)~~ 4.14A(h) shall be treated as an order that has become final and was issued under section 5.25.

* * * * *

SEC. 5.35. DEFINITIONS.—As used in this part—

(1) the terms “cease and desist order that has become final” and “order which has become final” mean a cease and desist order, or an order, issued by the Farm Credit Administration with the consent of the System institution or the director or officer or other person concerned, or with respect to which no petition for review of the action of the Farm Credit Administration has been filed and perfected in a court of appeals as specified in section 5.30(b) of this Act, or with respect to which the action of the court in which such petition is so filed is not subject to further review by the Supreme Court of the United States in proceedings provided for in section 5.30(b) of this Act, or an order issued under section 5.29 of this Act;

(2) the term “violation” includes without limitation any action (alone or with another or others) for or toward causing, bringing about, participating in, counseling, or aiding or abetting a violation;

(3) the terms “institution in the System”, “System institution”, and “institution” mean all institutions enumerated in section 1.2 of this Act, any service organization chartered under part E of title IV of this Act, and the Financial Assistance Corporation; **[and]**

(4) the term “institution-affiliated party” means—

(A) any director, officer, employee, shareholder, or agent of a System institution;

(B) any independent contractor (including any attorney, appraiser, or accountant) who knowingly or recklessly participates in—

(i) any violation of law (including regulations) that is associated with the operations and activities of 1 or more institutions;

(ii) any breach of fiduciary duty; or

(iii) any unsafe or unsound practice, which caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, a System institution; and

(C) any other person, as determined by the Farm Credit Administration (by regulation or on a case-by-case basis)

who participates in the conduct of the affairs of a System institution; and

[(4)] (5) the term “unsafe or unsound practice” shall—

(A) have the meaning given to it by the Farm Credit Administration by regulation, rule, or order;

[(B) during the period beginning on the date of the enactment of this paragraph and ending December 31, 1992, mean any noncompliance by a System institution, as determined by the Farm Credit Administration in consultation with the Assistance Board, with any term or condition imposed on the institution by the Assistance Board under section 6.6; and

[(C) after December 31, 1992,] (B) mean any significant noncompliance by a System institution (as determined by the Farm Credit Administration, in consultation with the Farm Credit System Insurance Corporation) with any term or condition imposed on the institution [by the Farm Credit System Assistance Board under section 6.6 or] by the Farm Credit System Insurance Corporation under section 5.61.

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SEC. 5.38. POWER TO REMOVE DIRECTORS AND OFFICERS.

Notwithstanding any other provision of this Act, [a farm credit district board, bank board, or bank officer or employee shall not remove any director or officer of any production credit association or Federal land bank association] *a Farm Credit Bank board, officer, or employee shall not remove any director or officer of any association.*

PART D—MISCELLANEOUS

* * * * *

[SEC. 5.44. GENERAL ACCOUNTING OFFICE AUDIT: REPORT TO CONGRESS.—

[(a) The Comptroller General shall conduct an evaluation of the programs and activities authorized under the 1980 amendments to this Act, and shall make an interim report to the Congress no later than December 31, 1982, and a final report to the Congress no later than December 31, 1984. The Comptroller General shall include in such evaluation the effect that this Act, as amended, will have on agricultural credit services provided by the Farm Credit System, Federal agencies, and other entities. The Comptroller General may make such interim reports to the Congress on the programs and activities under these amendments as the Comptroller General deems necessary or as requested by Members of Congress.

[(b) For the purpose of conducting program evaluations required in subsection (a) of this section, the Comptroller General or his duly authorized representatives shall have access to and the right to examine all books, documents, papers, records, or other recorded information within the possession or control of the Federal land banks and Federal land bank associations, Federal intermediate credit banks and production credit associations and banks for cooperatives.]

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**PART E—FARM CREDIT SYSTEM INSURANCE
CORPORATION**

* * * * *

SEC. 558. GENERAL CORPORATE POWERS.

On the date of the enactment of this part, the Corporation shall become a body corporate and as such shall have the following powers:

(1) **SEAL.**—The Corporation may adopt and use a corporate seal.

(2) **SUCCESSION.**—The Corporation may have succession until dissolved by an Act of Congress. [The Corporation shall succeed to the rights of the Farm Credit System Assistance Board under agreements between the Farm Credit System Assistance Board and System institutions certifying the institutions as eligible to issue preferred stock pursuant to title VI on the termination of the Assistance Board on the date provided in section 6.12.]

(3) **CONTRACTS.**—The Corporation may make contracts.

(4) **LEGAL ACTIONS.**—

(A) **IN GENERAL.**—The Corporation may sue and be sued, complain and defend, in any court of law or equity, State or Federal.

(B) **JURISDICTION.**—All suits of a civil nature at common law or in equity to which the Corporation shall be a party shall be deemed to arise under the laws of the United States, and the United States district courts shall have original jurisdiction thereof, without regard to the amount in controversy, and the Corporation, in any capacity, without bond or security, may remove any such action, suit, or proceeding from a State court to the United States district court for the district or division embracing the place where the same is pending by following any procedure for removal then in effect.

(C) **ATTACHMENT AND EXECUTION.**—No attachment or execution may be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court.

(D) **AGENT FOR SERVICE OF PROCESS.**—The Board of Directors shall designate an agent on whom service of process may be made in any State or jurisdiction in which any insured System bank is located.

(5) **OFFICERS AND EMPLOYEES.**—

(A) **IN GENERAL.**—The Corporation may appoint by its Board of Directors such officers and employees as are not otherwise provided for in this part, define their duties, fix their compensation, and require bonds of them and fix the penalty thereof, and dismiss at pleasure such officers or employees.

(B) **EMPLOYEES OF THE UNITED STATES.**—Nothing in this or any other Act shall be construed to prevent the appointment and compensation, as an officer or employee of the Corporation, of any officer or employee of the United

States in any board, commission, independent establishment, or executive department thereof.

(6) **BYLAWS.**—The Corporation may prescribe, by its Board of Directors, bylaws not inconsistent with law, regulating the manner in which its general business may be conducted, and the privileges granted to it by law may be exercised and enjoyed.

(7) **INCIDENTAL POWERS.**—The Corporation may exercise by its Board of Directors, or duly authorized officers or agents, all powers specifically granted by the provisions of this part, and such incidental powers as shall be necessary to carry out the powers so granted.

(8) **INFORMATION.**—The Corporation may, when necessary, make examinations of, and require information and reports from, System institutions, as provided in this part.

(9) **CONSERVATOR OR RECEIVER.**—The Corporation may act as a conservator or receiver.

(10) **RULES AND REGULATIONS.**—The Corporation may prescribe by its Board of Directors such rules and regulations as it considers necessary to carry out this part and section 1.12(b) (except to the extent that authority to issue such rules and regulations has been expressly and exclusively granted to any other regulatory agency).

* * * * *

SEC. 5.60. INSURANCE FUND.

(a) **ESTABLISHMENT.**—There is hereby established a Farm Credit Insurance Fund (hereinafter referred to in this section as the “Insurance Fund”) for insuring the timely payment of principal and interest on insured obligations. The assets in the Fund shall be held by the Corporation for the uses and purposes of the Corporation.

[(b) **AMOUNTS IN FUND.**—

[(1) **REVOLVING FUND.**—All amounts in the revolving fund established by section 4.0 shall be transferred into the Farm Credit Insurance Fund on January 1, 1989, or 12 months after the date of the enactment of this part, whichever is later, except that the obligations to, and rights of, any person in such revolving fund arising out of any event or transaction before the date of the enactment of this part shall remain unimpaired.

[(2) **DEPOSIT OF PREMIUMS.**—The Corporation shall deposit in the Insurance Fund all premium payments received by the Corporation under this part.]

(b) *AMOUNTS IN FUND.*—*The Corporation shall deposit in the Insurance Fund all premium payments received by the Corporation under this part.*

(c) **USES OF FUND.**—

(1) **MANDATORY USE.**—Beginning January 1, 1993, the Corporation shall expend amounts in the Insurance Fund to the extent necessary to insure the timely payment of interest and principal on insured obligations.

(2) **OTHER MANDATORY USES.**—Beginning January 1, 1993, the Corporation shall use amounts in the Insurance Fund to—

- (A) satisfy System institution defaults through the purchase of preferred stock or other payments as provided for in section 6.26(d)(3); and
- (B) ensure the retirement of eligible borrower stock at par value under section 4.9A.
- (3) PERMISSIVE USES.—The Corporation may expend amounts in the Insurance Fund to carry out section 5.61 and to cover the operating costs of the Corporation.
- (4) CORPORATE PAYMENT OR REFUNDS.—The Corporation shall make all payments and refunds required to be made by the Corporation under this part from amounts in the Insurance Fund.

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SEC. 5.65. PROHIBITIONS.

- (a) CORPORATE NAME.—
 - (1) USE OF CORPORATE NAME.—It shall be unlawful for any person or entity to use the words “Farm Credit System Insurance Corporation” or any combination of such words that would have the effect of leading the public to believe that there is any connection between such person or entity and the Corporation, by virtue of the name under which such person or entity does business.
 - (2) FALSE REPRESENTATION.—
 - (A) BY OUTSIDE PERSON OR ENTITIES.—It shall be unlawful for any person or entity to falsely represent by any device, that the notes, bonds, debentures, or other obligations of the person or entity are insured or in any way guaranteed by the Corporation.
 - (B) SYSTEM BANKS.—It shall be unlawful for any insured System bank or person that markets insured obligations to falsely represent the extent to which or the manner in which such obligations are insured by the Corporation.
 - (3) PENALTY.—Any person or entity that willfully violates any provision of this subsection shall be fined not more than \$1,000, imprisoned for not more than 1 year, or both.
- (b) PAYMENTS OR DISTRIBUTIONS WHILE IN DEFAULT.—
 - (1) IN GENERAL.—It shall be unlawful for any insured System bank to pay any dividends on bank stock or participation certificates or interest on the capital notes or debentures of such bank (if such interest is required to be paid only out of net profits) or distribute any of the capital assets of such bank while the bank remains in default in the payment of any premium due to the Corporation.
 - (2) LIABILITY OF DIRECTORS.—Each director or officer of any insured System bank who willfully participates in the declaration or payment of any dividend or interest or in any distribution in violation of this subsection shall be fined not more than \$1,000, imprisoned not more than 1 year, or both.
 - (3) APPLICABILITY.—This subsection shall not apply to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.
- (c) FAILURE TO FILE STATEMENT OR PAY PREMIUM.—

(1) IN GENERAL.—Any insured System bank that willfully fails or refuses to file any certified statement or pay any premium required under this part shall be subject to a penalty of not more than \$100 for each day that such violations continue, which penalty the Corporation may recover for its use.

(2) APPLICABILITY.—This subsection shall not apply to conduct with respect to any default that is due to a dispute between the insured System bank and the Corporation over the amount of such premium if such bank deposits security satisfactory to the Corporation for payment on final determination of the issue.

(d) EMPLOYMENT OF PERSONS CONVICTED OF CRIMINAL OFFENSES.—

(1) IN GENERAL.—Except with the prior written consent of the Farm Credit Administration, it shall be unlawful for any person convicted of any criminal offense involving dishonesty or a breach of trust to serve as a director, officer, or employee of any System institution.

(2) PENALTY.—For each willful violation of paragraph (1), the institution involved shall be subject to a penalty of not more than \$100 for each day during which the violation continues, which the Corporation may recover for its use.

(e) *PROHIBITION ON USES OF FUNDS RELATED TO FEDERAL AGRICULTURAL MORTGAGE CORPORATION.*—*No funds from administrative accounts or from the Farm Credit System Insurance Fund may be used by the Corporation to provide assistance to the Federal Agricultural Mortgage Corporation or to support any activities related to the Federal Agricultural Mortgage Corporation.*

TITLE VI—ASSISTANCE TO FARM CREDIT SYSTEM

[Subtitle A—Assistance Board

[SEC. 6.0. ESTABLISHMENT OF BOARD.

[(a) CHARTERS.—On the date which is 15 days after the date of the enactment of this title, the Farm Credit Administration shall revoke the charter of the Farm Credit System Capital Corporation (hereinafter referred to in this title as the “Capital Corporation”) and shall charter the Farm Credit System Assistance Board (hereinafter referred to in this Act as the “Assistance Board”) that, subject to this subtitle, shall be a Federally chartered instrumentality of the United States.

[(b) USE OF CAPITAL CORPORATION STAFF.—During the 90-day period beginning on the date of the revocation of the charter of the Capital Corporation, the Assistance Board may temporarily employ, by contract or otherwise under reasonable and necessary terms and conditions, such staff of the Capital Corporation as is necessary to facilitate and effectuate an orderly transition to, and commencement of, the Assistance Board, and the termination of the affairs of the Capital Corporation.

[SEC. 6.1. PURPOSES.

[The purposes of the Assistance Board shall be to carry out a program to provide assistance to, and protect the stock of bor-

rowers of, the institutions of the Farm Credit System, and to assist in restoring System institutions to economic viability and permitting such institutions to continue to provide credit to farmers, ranchers, and the cooperatives of such, at reasonable and competitive rates.

[SEC. 6.2. BOARD OF DIRECTORS.

[(a) MEMBERSHIP.—The Board of Directors of the Assistance Board (hereinafter referred to in this subtitle as the “Board of Directors”) shall consist of three members—

[(1) one of which shall be the Secretary of the Treasury;

[(2) one of which shall be the Secretary of Agriculture; and

[(3) one of which shall be an agricultural producer experienced in financial matters, and appointed by the President, by and with the advice and consent of the Senate.

[(b) CHAIRMAN.—The Board of Directors shall elect annually a Chairman from among the members of the Board.

[(c) TERMS OF OFFICE, SUCCESSION, AND VACANCIES.—

[(1) TERMS OF OFFICE AND SUCCESSION.—The term of each member of the Board of Directors shall expire when the Assistance Board is terminated.

[(2) VACANCIES.—Vacancies on the Board of Directors shall be filled in the same manner as the vacant position was previously filled.

[(d) COMPENSATION OF BOARD MEMBERS.—Members of the Board of Directors—

[(1) appointed under paragraphs (1) and (2) of subsection (a) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Assistance Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter I of chapter 57 of title 5, United States Code, for officers and employees of the United States; and

[(2) appointed under paragraph (3) of subsection (a) shall receive compensation for the time devoted to meetings and other activities at a daily rate not to exceed the daily rate of compensation prescribed for Level III of the Executive Schedule under section 5314 of title 5, United States Code, and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Assistance Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter I of chapter 57 of title 5, United States Code, for officers and employees of the United States.

[(e) RULES AND RECORDS.—The Board of Directors of the Assistance Board shall adopt such rules as it may deem appropriate for the transaction of the business of the Assistance Board, and shall keep permanent and accurate records and minutes of its acts and proceedings.

[(f) QUORUM REQUIRED.—A quorum shall consist of two members of the Board of Directors. All decisions of the Board shall require an affirmative vote of at least a majority of the members voting.

[(g) CHIEF EXECUTIVE OFFICER.—A chief executive officer of the Assistance Board shall be selected by the Board of Directors of the Assistance Board and shall serve at the pleasure of the Board.

[SEC. 6.3. CORPORATE POWERS.

[(a) IN GENERAL.—The Assistance Board shall be a body corporate that shall have the power to—

[(1) operate under the direction of its Board of Directors;

[(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

[(3) provide for one or more vice presidents, a secretary, a treasurer, and such other officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

[(4) hire, promote, compensate, and discharge officers and employees of the Assistance Board, without regard to title 5, United States Code, except that no such officer or employee shall receive an annual rate of basic pay in excess of the rate prescribed for Level III of the Executive Schedule under section 5314 of title 5, United States Code;

[(5) prescribe by its Board of Directors its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

[(A) its officers, employees, and agents are selected;

[(B) its property is acquired, held, and transferred;

[(C) its general operations are to be conducted; and

[(D) the privileges granted by law are exercised and enjoyed;

[(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this title;

[(7) enter into contracts and make advance, progress, or other payments with respect to such contracts;

[(8) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

[(9) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to its operations;

[(10) obtain insurance against loss;

[(11) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this title;

[(12) deposit its securities and its current funds with any member bank of the Federal Reserve System or any insured State nonmember bank (within the meaning of section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and pay fees therefor and receive interest thereon as may be agreed; and

[(13) exercise other powers as set forth in this title, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this title.

[(b) POWER TO REMOVE; JURISDICTION.—Notwithstanding any other provision of law, any civil action, suit, or proceeding to which the Assistance Board is a party shall be deemed to arise under the laws of the United States, and the United States District Court for

the District of Columbia shall have exclusive jurisdiction over such. The Assistance Board may, without bond or security, remove any such action, suit, or proceeding from a State court to the United States District Court for the District of Columbia.

[SEC. 6.4. CERTIFICATION OF ELIGIBILITY TO ISSUE PREFERRED STOCK.

[(a) BOOK VALUE LESS THAN PAR VALUE OF STOCK AND EQUITIES.—If the book value of the stock, participation certificates, and other similar equities of a System institution, based on generally accepted accounting principles, is less than the par value of the stock or the face value of the certificates or equities—

[(1) the Farm Credit Administration shall notify the Assistance Board of such impairment;

[(2) the Assistance Board shall monitor the financial condition, business plans, and operations of the institution; and

[(3) the institution may request the Assistance Board to grant certification to issue preferred stock under section 6.27(a).

[(b) BOOK VALUE LESS THAN 75 PERCENT OF PAR VALUE OF STOCK AND EQUITIES.—If the book value of the stock, participation certificates, and other similar equities of a System institution, based on generally accepted accounting principles, is less than 75 percent of the par value of the stock or the face value of the certificates or equities, the institution shall request the Assistance Board to grant certification to issue preferred stock under section 6.27(a).

[(c) MANDATORY DETERMINATION OF ELIGIBILITY.—

[(1) IN GENERAL.—The Assistance Board shall determine whether to certify a System institution as eligible to issue preferred stock under section 6.27, if—

[(A) the institution requests such certification;

[(B) the book value of the stock, participation certificates, and other similar equities of the institution, based on generally accepted accounting principles, has declined to 75 percent of the par value of the stock or the face value of the certificates or equities; and

[(C) the institution agrees to meet the terms and conditions specified by the Assistance Board pursuant to section 6.6.

[(2) EFFECTIVE DATE OF CERTIFICATION.—If the determination of the Assistance Board is to certify the institution under paragraph (1), such certification shall be effective at the time of such determination.

[(d) IMPLEMENTATION.—As soon as practicable after the date of the enactment of this title, the Assistance Board shall take such actions as are necessary to carry out this section.

[(e) DEFINITION.—Except where otherwise provided in this Act, the term “other similar equities” includes allocated equities.

[SEC. 6.5. ASSISTANCE.

[(a) IN GENERAL.—The Assistance Board shall assist an institution that has been certified under section 6.4 by—

[(1) authorizing the institution to issue preferred stock under section 6.27, in amounts necessary to maintain the book value of stock, participation certificates, and other similar eq-

unities of the institution, at the level provided for in subsection (c);

[(2) in the case of high-cost debt for which the institution is primarily liable, authorizing the institution to issue preferred stock under section 6.27, in an amount equal to the premium that would be required by the holder of the debt for the institution to retire the debt at the then current market value;

[(3) on a request by the institution, authorizing the issuance of preferred stock under section 6.27 to facilitate the merger of the requesting institution with one or more other System institutions; or

[(4) providing assistance by such other methods as the Assistance Board determines appropriate.

[(b) DEFINITION OF HIGH-COST DEBT.—For purposes of subsection (a)(2), the term “high-cost debt” means securities or similar obligations issued before January 1, 1986, that mature on or after December 31, 1987, and bear a rate of interest in excess of the then current market rate for similar securities or obligations.

[(c) MINIMUM EQUITY VALUE.—The Assistance Board shall authorize a certified institution to issue amounts of preferred stock under section 6.27 sufficient to—

[(1) maintain the value of stock, participation certificates and other similar equities at no less than 75 percent of the par value of the stock or the face value of the certificates or equities, as determined under generally accepted accounting principles; and

[(2) strengthen the institution to a point where it is economically viable, and capable of delivering credit at reasonable and competitive rates.

[(d) LIMITATION.—Except as provided in section 410(c) of the Agricultural Credit Act of 1987, no assistance shall be provided in connection with a merger until the stockholders and the institutions involved have approved the merger and the Farm Credit Administration has given final approval to the merger plan.

[SEC. 6.6. SPECIAL POWERS.]

[(a) IN GENERAL.—In the case of a System institution that requests certification under section 6.4, the Assistance Board may—

[(1) require the institution to obtain approval from the Assistance Board before implementing business, operating, and investment plans and policies;

[(2) if one or more of the conditions described in section 4.12(b) are met, as determined by the Farm Credit Administration, direct the Farm Credit Administration Board to appoint a conservator for the institution, in accordance with such section, and to instruct the conservator to evaluate the operations of the institution and report to the Farm Credit Administration Board and the Assistance Board on the possibility of restoring the institution to sound financial condition;

[(3) request that the Farm Credit Administration Board or the Farm Credit Administration, as appropriate—

[(A) approve or require a merger or consolidation of the institution to the extent authorized under this Act;

[(B) initiate action to appoint a receiver under section 4.12(b); or

- [(C) exercise any enforcement power authorized under this Act;
 - [(4) require the institution to obtain approval from the Assistance Board before setting the terms and conditions of any debt issuances of the institution;
 - [(5) require the institution to obtain approval from the Assistance Board before setting the policy on credit standards to be used, and the policy on rates of interest to be charged on loans, by the institution, including requiring that—
 - [(A) the institution set interest rates at levels necessary to ensure that the cost of money to the institution reflects the marginal cost to the institution of borrowing an additional amount of money at the time a new loan is made; and
 - [(B) loans primarily secured by real estate mortgages not exceed 85 percent of the appraised agricultural value of the real estate security, or 75 percent of the then current market value of the real estate security, whichever is greater;
 - [(6) require the institution to obtain approval from the Assistance Board for the design of management information and accounting systems at the institution, and of the continued use by the institution of regulatory accounting practices in accordance with sections 4.8(b) and 5.19(b);
 - [(7) require that the plans and policies of the institution resulting from the merger of System banks reduce the overhead costs of such institution, to the maximum extent practicable, with respect to the delivery of services to, and performance of duties for, System associations in the district;
 - [(8) require the institution to obtain approval from the Assistance Board of—
 - [(A) the hiring policies of the institution;
 - [(B) the compensation and retirement benefits of the chief executive officer, other managers, and directors of the institution;
 - [(C) any change in the management of the institution; and
 - [(D) policy decisions regarding continued employment and promotion of the officials referred to in subparagraph (B);
 - [(9) suspend for any period of time, or terminate, any certification granted to an institution under section 6.4 if the Farm Credit Administration notifies the Assistance Board that the institution has substantially deviated from the institution's business plan or has failed to comply with a term or condition governing the use of any financial assistance provided to the institution under this title; and
 - [(10) take such other action as the Assistance Board determines may be necessary to establish prudent operating practices at the institution and to return the institution to a sound financial condition.
- [(b) SUSPENSION OF ASSISTANCE.—
- [(1) NOTIFICATION.—The Assistance Board shall promptly notify the Farm Credit Administration of any action taken by the Assistance Board under subsection (a)(9).

[(2) ENFORCEMENT.—The Farm Credit Administration may use any of its enforcement powers, with respect to any institution to which the Assistance Board has provided assistance or has certified the institution to issue preferred stock under section 6.27, to obtain the compliance of the institution with the terms or conditions governing the use of financial assistance provided under this title.

[(c) UNDATED LETTERS OF RESIGNATION.—The Assistance Board shall not, for any reason, request or require any member of the board of directors of any System institution to submit to the Assistance Board an undated letter of resignation. Immediately after the date of the enactment of this title, the Assistance Board shall destroy all such letters over which it has control.

[(d) REPORTS.—During the 5-year period beginning on the date of the enactment of this title, the Assistance Board, in coordination with the Financial Assistance Corporation, shall report annually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the extent to which System institutions translate the savings in the cost of the operations of such institutions due to the Federal assistance provided to the System under this title into lower interest rates charged to System borrowers or enhanced financial solvency of such institutions.

[SEC. 6.7. ADMINISTRATION.

[(a) EXPENSES.—The Financial Assistance Corporation shall pay the necessary and reasonable administrative expenses of the Assistance Board from funds in the Assistance Fund established in section 6.25.

[(b) INTERIM FUNDING.—Before the availability of funding from the Assistance Fund, the Assistance Board may use the revolving fund established under section 4.0. Such amounts used shall be repaid to the revolving fund out of the Assistance Fund within the same fiscal year that such funds were received by the Assistance Board.

[(c) ASSISTANCE OPERATIONS.—The Farm Credit Administration shall provide such personnel and facilities to the Assistance Board as the Farm Credit Administration considers are necessary to avoid unnecessary duplication and waste.

[(d) ACCESS TO FCA DOCUMENTS.—The Assistance Board shall have access to all reports of examination and supervisory documents of the Farm Credit Administration, and relevant supporting material, for the purpose of carrying out the special powers of the Assistance Board under section 6.6, under such terms and conditions, acceptable to the Farm Credit Administration Board, as are necessary and appropriate to protect the confidentiality of the documents and materials.

[SEC. 6.8. LIMITATION OF POWERS.

[(a) PURPOSES.—The powers of the Assistance Board under this title shall be exercised only for the purposes specified in this title and shall not be exercised in a manner that would result in the Assistance Board supplanting the Farm Credit System lending institutions as the primary providers of credit and other financial services to farmers, ranchers, and the cooperatives of such.

[(b) PROHIBITION.—The powers of the Assistance Board under this title shall not include the management, administration, or disposition of any loans or other assets owned by other System institutions, or the providing of technical assistance or other related services to other System institutions in connection with the administration of loans owned by such other institutions.

[SEC. 6.9. SUCCESSION.

[(a) ASSETS AND LIABILITIES.—On the issuance by the Farm Credit Administration of the charter for the Assistance Board under this subtitle, the Assistance Board shall succeed to the assets of and assume all debts, obligations, contracts, and other liabilities of the Capital Corporation, matured or unmatured, accrued, absolute, contingent or otherwise, and whether or not reflected or reserved against on balance sheets, books of account, or records of the Capital Corporation.

[(b) CONTRACTS.—The existing contractual obligations, security instruments, and title instruments of the Capital Corporation shall, by operation of law and without any further action by the Farm Credit Administration, the Capital Corporation, or any court, become and be converted into obligations, entitlements, and instruments of the Assistance Board chartered under this subtitle.

[(c) ADJUSTMENT OF ASSESSMENTS.—Not later than 15 days after the issuance of the charter of the Assistance Board, the Board shall retire all debt and equity obligations issued to any System institution under section 4.28G(a)(14) or 4.28H (as in effect immediately before the date of the enactment of this title) at the book value of such obligations (determined as of such date of enactment) and shall pay such amounts to the holders of such debt and equity obligations.

[(d) SURPLUS FUNDS.—To the extent that, on the extinguishing of liabilities assumed by the Assistance Board under this section, and on full performance or other final disposition of contract obligations of the Assistance Board, there remain surplus funds attributable to such obligations or contracts, the Assistance Board shall distribute such surplus funds among the System institutions that contributed funds to the Capital Corporation on the basis of the relative amount of funds so contributed by each institution.

[(e) PRESERVATION AGREEMENTS.—

[(1) TRANSFER OF OBLIGATIONS.—Notwithstanding any other provision of this Act or the terms and conditions of the Thirty-Seven Banks Capital Preservation Agreement, the Federal Land Banks Capital Preservation Agreement, the Federal Intermediate Credit Banks Capital Preservation Agreement, and the Banks for Cooperatives Loss Sharing Agreement—

[(A) at the time the receiving bank receives funds from the Financial Assistance Corporation in an equal and equivalent amount in accordance with this subsection, any amounts received by, or that remain accrued to, any System bank in accordance with the activation of any such agreement for the calendar quarter ending on September 30, 1986, shall be—

[(i) repaid to the contributing bank by the bank that received such payments; or

[(ii) cancelled;

[(B) on the date the Financial Assistance Corporation is chartered, the accounts payable of each contributing bank under such agreements for the calendar quarter ending on September 30, 1986, shall, by operation of law and without any further action by such contributing bank, any other bank, or any court, become and be converted into accounts payable of the Financial Assistance Corporation to each receiving bank under such agreement for such calendar quarter in the same amounts as previously carried on the books of each such receiving bank; and

[(C) on the date the Financial Assistance Corporation is chartered, the accounts receivable of each receiving bank under such agreements for the calendar quarter ending September 30, 1986, shall, by operation of law and without any further action by such receiving bank or any other bank, or any court, become and be converted into accounts receivable to such receiving bank from the Financial Assistance Corporation, in the same amount as previously carried on the books of such receiving bank and such receivables shall, for all financial reporting purposes, be accounted for as an asset on the books of such receiving bank in accordance with generally accepted accounting practices.

[(2)(A) Not later than 30 days after the first issuance of obligations by the Financial Assistance Corporation in accordance with section 6.26, the Corporation shall pay to each receiving bank such sums as are necessary to permit each receiving bank to repay, in accordance with paragraph (1), the amounts each such receiving bank received under any such agreement.

[(B) The accruals shall be paid by the Corporation to each receiving bank for the actual net loan charge-offs recorded on the books of each such bank before January 1, 1993, not previously paid by the contributing banks.

[(3) DEBT OBLIGATIONS.—

[(A) ISSUANCE.—For the purpose of obtaining funds to carry out this subsection, the Financial Assistance Corporation shall issue debt obligations under section 6.26. Such obligations shall be subject to the terms and conditions of such section, except as provided for in this paragraph.

[(B) PAYMENT OF INTEREST.—During each year of the 15-year period of such obligation issued pursuant to subparagraph (A), the banks operating under this Act shall pay to the Financial Assistance Corporation, at such times as the Corporation shall determine, an amount equal to the entire amount of interest due on such obligation. Each bank shall pay a proportion of such interest equal to—

[(i) the average accruing loan volume of the bank during the year preceding the year of such payment; divided by

[(ii) the average accruing loan volume of all of the banks of the System for the same period.

[(C) PAYMENT OF PRINCIPAL.—

[(i) IN GENERAL.—After the end of the 15-year period beginning on the date of the issuance of any obligation issued to carry out this subsection, the banks

operating under this Act shall pay to the Financial Assistance Corporation, on demand, an amount equal to the outstanding principal of the obligation. Each bank shall pay a proportion of the principal equal to—

[(I) the average accruing loan volume of the bank for the preceding 15 years; divided by

[(II) the average accruing loan volume of all banks of the System for the same period.

[(ii) BANKS LEAVING SYSTEM.—Any bank leaving the Farm Credit System pursuant to section 7.10 shall be required, under regulations of the Farm Credit Administration, to pay to the Financial Assistance Corporation the estimated present value of the payment required under this subparagraph had the bank remained in the System.

[(iii) BANKS UNDERGOING LIQUIDATION.—With respect to any bank undergoing liquidation under this Act, a liability to the Financial Assistance Corporation in the amount of the payment required under this subparagraph (calculated as if the bank had left the System on the date it was placed in liquidation) shall be recognized as a claim in favor of the Financial Assistance Corporation against the estate of the bank.

[(iv) OBLIGATIONS OF OTHER BANKS.—The obligations of other banks shall not be reduced in anticipation of any recoveries under this subparagraph from banks leaving the System or in liquidation, but the Financial Assistance Corporation shall apply the recoveries, when received, and all earnings on the recoveries, to reduce the other banks' payment obligations, or, to the extent the recoveries are received after the other banks have met their entire payment obligation, shall refund the recoveries, when received, to the other banks in proportion to the other banks' payments.

[(D) ANNUAL PAYMENTS.—

[(i) IN GENERAL.—In order to provide for the orderly funding and discharge over time of the obligation of each System bank to the Financial Assistance Corporation under subparagraph (C), each System bank shall enter into or continue in effect an agreement with the Financial Assistance Corporation under which the bank will make annual annuity-type payments to the Financial Assistance Corporation, beginning no later than December 31, 1992 (except for any bank that did not meet its interim capital requirement on December 31, 1990, in which case the bank shall begin making the payments no later than December 31, 1993) in amounts designed to accumulate, in total, including earnings on the amounts, to 90 percent of the bank's ultimate obligation. The Financial Assistance Corporation shall partially discharge the bank from its obligation under subparagraph (C) to the extent of each such payment and the earnings on the payment as earned.

[(ii) CAPITAL REQUIREMENTS.—The agreement shall not require payments to be made to the extent that making a particular payment or part of a payment would cause the bank to fail to satisfy applicable regulatory permanent capital requirements, but shall provide for recalculation of subsequent payments accordingly.

[(iii) INVESTMENT; AVAILABILITY.—The funds received by the Financial Assistance Corporation pursuant to the agreements shall be invested in eligible investments as defined in section 6.25(a)(1). The funds and the earnings on the funds shall be available only for the payment of the principal of the bonds issued by the Financial Assistance Corporation under this subsection.

[(E) Until each obligation issued in accordance with this subsection reaches maturity, for all financial reporting purposes, such obligation shall be considered to be the sole obligation of the Financial Assistance Corporation and shall not be considered a liability of any System bank, nor shall the obligation to make future annuity payments to the Financial Assistance Corporation under subparagraph (D) be considered a liability of any System bank.

[(4) FUNDS NOT CONSIDERED FINANCIAL ASSISTANCE.—The funds made available to each bank, whether through the issuance of stock or otherwise, by the Financial Assistance Corporation to meet obligations under any agreement referred to in paragraph (1) or to meet any obligations of the contributing banks under any such agreement, as required by this subsection, shall not be considered financial assistance under this Act.

[(5) SUSPENSION OF PRESERVATION AGREEMENTS.—During the 5-year period beginning on the date of enactment of this subsection and thereafter whenever funds from the Farm Credit System Insurance Fund are available for use in assisting System institutions to meet their obligations on their debt instruments, activation of the Thirty-Seven Banks Capital Preservation Agreement, the Federal Land Banks Capital Preservation Agreement, the Federal Intermediate Credit Banks Capital Preservation Agreement, and the Banks for Cooperatives Loss Sharing Agreement shall be suspended, in exchange for the benefits flowing to the signatories to such agreements under the Agricultural Credit Act of 1987.

[SEC. 6.10. EFFECT OF REGULATIONS; AUDITS.

[(a) ISSUANCE.—The Assistance Board may issue such regulations, policies, procedures, guidelines, or statements as the Board considers necessary or appropriate to carry out this title, all of which shall be promulgated and enforced without regard to subchapter II of chapter 5 of title 5, United States Code.

[(b) REGULATION BY FARM CREDIT ADMINISTRATION.—The Assistance Board shall not be subject to regulation by the Farm Credit Administration.

[(c) AUDITS.—The Assistance Board shall not require an audit or examination of a System institution that would be duplicative of an

audit or examination that is conducted under other provisions of law.

[SEC. 6.11. EXEMPTION FROM TAXATION.

【The Assistance Board, the capital, reserves, and surplus thereof, and the income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes on real estate held by the Assistance Board to the same extent, according to its value, as other similar property held by other persons is taxed.

[SEC. 6.12. TERMINATION.

【The Assistance Board and the authority provided to the Assistance Board by this subtitle shall terminate on December 31, 1992.

[SEC. 6.13. TRANSITIONAL PROVISIONS.

【(a) EXERCISE OF POWERS.—The powers of the Assistance Board under this title shall be exercised by the Farm Credit Administration Board until the issuance of the charter of the Assistance Board, or such later date not to exceed 30 days thereafter, as may be requested by the Assistance Board.

【(b) LIMITATION ON ASSISTANCE.—Any assistance provided to System institutions by the Farm Credit Administration in accordance with this section shall be provided from, and shall not exceed, the amounts contained in the revolving fund established under section 4.0.

【(c) ISSUANCE OF STOCK.—Each institution that receives assistance from the Farm Credit Administration during the interim period specified in subsection (a), in consideration thereof, shall issue preferred stock to the Financial Assistance Corporation in an amount equal to the amount of such assistance. Payments by the Financial Assistance Corporation under subsection (d) shall be considered to be payments to each such institution for such stock.

【(d) REPAYMENT.—The Financial Assistance Corporation shall pay to the Farm Credit Administration, for return to the revolving fund established under section 4.0, the full amount of all financial assistance provided by the Farm Credit Administration in accordance with this section, from the proceeds from the sale of the first issue of obligations by the Financial Assistance Corporation in accordance with section 6.26.】

SUBTITLE B—FINANCIAL ASSISTANCE CORPORATION

* * * * *

SEC. 6.32. TERMINATION OF AUTHORITY.

The authority provided in this subtitle shall terminate on December 31, 2018.

TITLE VII—RESTRUCTURING OF SYSTEM INSTITUTIONS

* * * * *

Subtitle B—Mergers, Transfers of Assets, and Powers of Associations Within a District

* * * * *

Chapter 3—Reconsideration

SEC. 7.9. RECONSIDERATION.

(a) PERIOD.—A stockholder vote in favor of—

- (1) the merger of districts under this Act;
- (2) the merger of banks within a district under section 7.0;
- (3) the transfer of the lending authority of a Federal land bank or a merged bank having a Federal land bank as one of its constituents, under section 7.6 or 7.13;
- (4) the merger of two or more associations under section 7.8;
- (5) the termination of the status of an institution as a System institution under section 7.10; or
- (6) the merger of similar banks under section 7.12;

shall not take effect except in accordance with subsection (b).

(b) RECONSIDERATION.—

(1) NOTICE.—Not later than 30 days after a stockholder vote in favor of any of the actions described in subsection (a), the officer or employee that records such vote shall ensure that all stockholders of the voting entity receive notice of the final results of the vote.

(2) EFFECTIVE DATE.—A voluntary merger, transfer, or termination that is approved by a vote of the stockholders of two or more banks or associations shall not take effect until the expiration of 30 days after the date on which the stockholders of such banks or associations are notified of the final result of the vote in accordance with paragraph (1).

(3) PETITION FILED.—If a petition for reconsideration of a merger, transfer, or termination vote, signed by at least 15 percent of the stockholders of one or more of the affected banks or associations, is presented to the Farm Credit Administration within 30 days after the date of the notification required under paragraph (1)—

(A) a voluntary merger, transfer, or termination shall not take effect until the expiration of 60 days after the date on which the stockholders were notified of the final result of the vote; and

(B) a special meeting of the stockholders of the affected banks or associations shall be held during the period referred to in subparagraph (A) to reconsider the vote.

(4) VOTE ON RECONSIDERATION.—If a majority of stockholders of any one of the affected banks or associations voting, in person or by written proxy, at a duly authorized stockholders' meeting, vote against the proposed merger, transfer, or termination, such action shall not take place.

(5) FAILURE TO FILE PETITION.—If a petition for reconsideration of such vote is either not filed prior to the 60th day after the vote or, if timely filed, is not signed by at least 15 percent of the stockholders, the merger, transfer, or termination shall become effective in accordance with the plan of merger, transfer, or termination.

[(c) SPECIAL RECONSIDERATION.—

[(1) ISSUANCE OF REGULATIONS.—Notwithstanding any other provision of this Act, the Farm Credit Administration shall issue regulations under which the stockholders of any association that voluntarily merged with one or more associations

after December 23, 1985, and before the date of the enactment of this section, may petition for the opportunity to organize as a separate association.

[(2) REQUIREMENTS.—The regulations issued by the Farm Credit Administration shall require that—

[(A) the petition be filed within 1 year after the date of the implementation of such regulations;

[(B) the petition be signed by at least 15 percent of the stockholders of any one of the associations that merged during the period;

[(C) the petition describe the territory in which the proposed separate association will operate;

[(D) if the petition is approved—

[(i) the loans of the members of the new association will be transferred from the current association to such new association;

[(ii) the stock, participation certificates, and other similar equities of the current association held by members of the new association will be retired at book value and the proceeds of such will be transferred to the new association, and an equivalent amount of stock, participation certificates, and other similar equities will be issued to the members by the new association; and

[(iii) the other assets of the current association will be distributed equitably among the current association and any resulting new association.

[(3) NOTIFICATION.—

[(A) IN GENERAL.—Not later than 30 days after the filing of the petition for organization, the current association shall notify its stockholders that a petition to establish the separate association has been filed.

[(B) CONTENTS.—The notification required under this paragraph shall contain—

[(i) the date of a special stockholders' meeting to consider the petition for organization; and

[(ii) an enumerated statement of the anticipated benefits and the potential disadvantages to such stockholders if the new association is established.

[(C) FCA APPROVAL.—

[(i) IN GENERAL.—All notifications under this paragraph shall be submitted to the Farm Credit Administration Board for approval prior to being distributed to the stockholders.

[(ii) AMENDING NOTIFICATION.—The Farm Credit Administration Board shall require that, prior to the distribution of the notification to the stockholders, the notification be amended as determined necessary by the Board to provide accurate information to the stockholders that will enable such stockholders to make an informed decision as to the advisability of establishing a new association.

[(D) SPECIAL STOCKHOLDERS' MEETING.—

[(i) TIMING OF MEETING.—The special stockholders' meeting to consider the petition shall be held within 60 days after the filing of the petition.

[(ii) APPROVAL.—If, at the special stockholders' meeting, a majority of the stockholders of the current association who would be served by the new association approve, by voting in person or by proxy, the establishment of the separate association, the Farm Credit Administration shall, within 30 days of such vote, issue a charter to the new association and amend the charter of the current association to reflect the territory to be served by the new association.]

Chapter 4—Termination and Dissolution of Institutions

SEC. 7.10. TERMINATION OF SYSTEM INSTITUTION STATUS.

(a) CONDITIONS.—A System institution may terminate the status of the institution as a System institution if—

(1) the institution provides written notice to the Farm Credit Administration Board not later than 90 days prior to the proposed termination date;

(2) the termination is approved by the Farm Credit Administration Board;

(3) the appropriate Federal or State authority grants approval to charter the institution as a bank, savings and loan association, or other financial institution;

[(4) the institution pays to the Farm Credit Assistance Fund, as created under section 6.25, if the termination is prior to January 1, 1992, or pays to the Farm Credit Insurance Fund, if the termination is after such date, the amount by which the total capital of the institution exceeds, 6 percent of the assets;]

(4) the institution pays to the Farm Credit Insurance Fund the amount by which the total capital of the institution exceeds 6 percent of the assets;

(5) the institution pays or makes adequate provision for payment of all outstanding debt obligations of the institution;

(6) the termination is approved by a majority of the stockholders of the institution voting, in person or by written proxy, at a duly authorized stockholders' meeting, held prior to giving notice to the Farm Credit Administration Board; and

(7) the institution meets such other conditions as the Farm Credit Administration Board by regulation considers appropriate.

(b) EFFECT.—On termination of its status as a System institution—

(1) the Farm Credit Administration Board shall revoke the charter of the institution; and

(2) the institution shall no longer be an instrumentality of the United States under this Act.

* * * * *

TITLE VIII—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 8.0. DEFINITIONS.

For purposes of this title:

(1) AGRICULTURAL REAL ESTATE.—The term “agricultural real estate” means—

(A) a parcel or parcels of land, or a building or structure affixed to the parcel or parcels, that—

(i) is used for the production of one or more agricultural commodities or products; and

(ii) consists of a minimum acreage or is used in producing minimum annual receipts, as determined by the Corporation; or

(B) a principal residence that is a single family, moderate-priced residential dwelling located in a rural area, excluding—

(i) any community having a population in excess of 2,500 inhabitants; and

(ii) any dwelling, excluding the land to which the dwelling is affixed, with a value exceeding \$100,000 (as adjusted for inflation).

[(2) BOARD.—The term “Board” means—

[(A) the interim board of directors established in section 8.2(a); and

[(B) the permanent board of directors established in section 8.2(b);

as the case may be.]

(2) BOARD.—*The term “Board” means the board of directors established under section 8.2.*

(3) CERTIFIED FACILITY.—The term “certified facility” means—

(A) an agricultural mortgage marketing facility that is certified under section 8.5; or

(B) the Corporation and any affiliate thereof.

(4) CORPORATION.—The term “Corporation” means the Federal Agricultural Mortgage Corporation established in section 8.1.

(5) GUARANTEE.—The term “guarantee” means the guarantee of timely payment of the principal and interest on securities representing interests in, or obligations backed by, pools of qualified loans, in accordance with this title.

[(6) INTERIM BOARD.—The term “interim board” means the interim board of directors established in section 8.2(a).

[(7)] (6) ORIGINATOR.—The term “originator” means any Farm Credit System institution, bank, insurance company, business and industrial development company, savings and loan association, association of agricultural producers, agricultural cooperative, commercial finance company, trust company, credit union, or other entity that originates and services agricultural mortgage loans.

[(8) PERMANENT BOARD.—The term “permanent board” means the permanent board of directors established in section 8.2(b).

[(9)] (7) QUALIFIED LOAN.—The term “qualified loan” means an obligation—

(A)(i) that is secured by a fee-simple or leasehold mortgage with status as a first lien, on agricultural real estate located in the United States that is not subject to any legal or equitable claims deriving from a preceding fee-simple or leasehold mortgage;

(ii) of—

(I) a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; or

(II) a private corporation or partnership whose members, stockholders, or partners holding a majority interest in the corporation or partnership are individuals described in subclause (I); and

(iii) of a person, corporation, or partnership that has training or farming experience that, under criteria established by the Corporation, is sufficient to ensure a reasonable likelihood that the loan will be repaid according to its terms;

(B) that is the portion of a loan guaranteed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), except that—

(i) subsections (b) [through (d)] and (c) of section 8.6, and sections 8.8 and 8.9, shall not apply to the portion of a loan guaranteed by the Secretary or to an obligation, pool, or security representing an interest in or obligation backed by a pool of obligations relating to the portion of a loan guaranteed by the Secretary; and

(ii) the portion of a loan guaranteed by the Secretary shall be considered to meet all standards for qualified loans for all purposes under this Act; or

(C) that is a loan, or an interest in a loan, for an electric or telephone facility by a cooperative lender to a borrower that has received, or is eligible to receive, a loan under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

[(10)] (8) STATE.—The term “State” has the meaning given such term in section 5.51.

Subtitle A—Establishment and Activities of Federal Agricultural Mortgage Corporation

* * * * *

SEC. 8.2. BOARD OF DIRECTORS.

[(a)] INTERIM BOARD.—

[(1)] NUMBER AND APPOINTMENT.—Until the permanent board of directors established in subsection (b) first meets with a quorum of its members present, the Corporation shall be under the management of an interim board of directors composed of

9 members appointed by the President within 90 days after the date of the enactment of this title as follows:

[(A) 3 members appointed from among persons who are representatives of banks, other financial institutions or entities, and insurance companies.

[(B) 3 members appointed from among persons who are representatives of the Farm Credit System institutions.

[(C) 2 members appointed from among persons who are farmers or ranchers who are not serving, and have not served, as directors or officers of any financial institution or entity, of which not more than 1 may be a stockholder of any Farm Credit System institution.

[(D) 1 member appointed from among persons who represent the interests of the general public and are not serving, and have not served, as directors or officers of any financial institution or entity.

[(2) POLITICAL AFFILIATION.—Not more than 5 members of the interim board shall be of the same political party.

[(3) VACANCY.—A vacancy in the interim board shall be filled in the manner in which the original appointment was made.

[(4) CONTINUATION OF MEMBERSHIP.—If—

[(A) any member of the interim board who was appointed to such board from among persons who are representatives of banks, other financial institutions or entities, insurance companies, or Farm Credit System institutions ceases to be such a representative; or

[(B) any member who was appointed from among persons who are not or have not been directors or officers of any financial institution or entity becomes a director or an officer of any financial institution or entity;

such member may continue as a member for not longer than the 45-day period beginning on the date such member ceases to be such a representative or becomes such a director or officer, as the case may be.

[(5) TERMS.—The members of the interim board shall be appointed for the life of such board.

[(6) QUORUM.—5 members of the interim board shall constitute a quorum.

[(7) CHAIRPERSON.—The President shall designate 1 of the members of the interim board as the chairperson of the interim board.

[(8) MEETINGS.—The interim board shall meet at the call of the chairperson or a majority of its members.

[(9) VOTING COMMON STOCK.—

[(A) INITIAL OFFERING.—Upon the appointment of sufficient members of the interim board to convene a meeting with a quorum present, the interim board shall arrange for an initial offering of common stock and shall take whatever other actions are necessary to proceed with the operations of the Corporation.

[(B) PURCHASERS.—Subject to subparagraph (C), the voting common stock shall be offered to banks, other financial entities, insurance companies, and System institutions

under such terms and conditions as the interim board may adopt.

[(C) DISTRIBUTION.—The voting stock shall be fairly and broadly offered to ensure that no institution or institutions acquire a disproportionate amount of the total amount of voting common stock outstanding of a class and that capital contributions and issuances of voting common stock for the contributions are fairly distributed between entities eligible to hold class A and class B stock, as provided under section 8.4.

[(10) TERMINATION.—The interim board shall terminate when the permanent board of directors established in subsection (b) first meets with a quorum present.

[(b) PERMANENT BOARD.—] (a) BOARD OF DIRECTORS.—

[(1) ESTABLISHMENT.—Immediately after the date that banks, other financial institutions or entities, insurance companies, and System institutions have subscribed and fully paid for at least \$20,000,000 of common stock of the Corporation, the Corporation shall arrange for the election and appointment of a permanent board of directors. After the termination of the interim board, the Corporation shall be under the management of the permanent board.]

(1) ESTABLISHMENT.—*The Corporation shall be under the management of the Board of Directors.*

(2) COMPOSITION.—The [permanent] board shall consist of 15 members, of which—

(A) 5 members shall be elected by holders of common stock that are insurance companies, banks, or other financial institutions or entities;

(B) 5 members shall be elected by holders of common stock that are Farm Credit System institutions; and

(C) 5 members shall be appointed by the President, by and with the advice and consent of the Senate—

(i) which members shall not be, or have been, officers or directors of any financial institutions or entities;

(ii) which members shall be representatives of the general public;

(iii) of which members not more than 3 shall be members of the same political party; and

(iv) of which members at least 2 shall be experienced in farming or ranching.

[(3) PRESIDENTIAL APPOINTEES.—The President shall appoint the members of the permanent board referred to in paragraph (2)(C) not later than the later of—

[(A) the date referred to in paragraph (1); or

[(B) the expiration of the 270-day period beginning on the date of the enactment of this title.

[(4)] (3) VACANCY.—

(A) ELECTED MEMBERS.—Subject to paragraph (6), a vacancy among the members elected to the [permanent] board in the manner described in subparagraph (A) or (B) of paragraph (2) shall be filled by the [permanent] board from among persons eligible for election to the position for which the vacancy exists.

(B) APPOINTED MEMBERS.—A vacancy among the members appointed to the [permanent] board under paragraph (2)(C) shall be filled in the manner in which the original appointment was made.

[(5)] (4) CONTINUATION OF MEMBERSHIP.—If—

(A) any member of the [permanent] board who was appointed or elected to the [permanent] board from among persons who are representatives of banks, other financial institutions or entities, insurance companies, or Farm Credit System institutions ceases to be such a representative; or

(B) any member who was appointed from persons who are not or have not been directors or officers of any financial institution or entity becomes a director or an officer of any financial institution or entity;

such member may continue as a member for not longer than the 45-day period beginning on the date such member ceases to be such a representative, officer, or employee or becomes such a director or officer, as the case may be.

[(6)] (5) TERMS.—

(A) APPOINTED MEMBERS.—The members appointed by the President shall serve at the pleasure of the President.

(B) ELECTED MEMBERS.—The members elected under subparagraphs (A) and (B) of subsection (b)(2) shall each be elected annually for a term ending on the date of the next annual meeting of the common stockholders of the Corporation and shall serve until their successors are elected and qualified. Any seat on the [permanent] board that becomes vacant after the annual election of the directors shall be filled by the members of the [permanent] board from the same category of directors, but only for the unexpired portion of the term.

(C) VACANCY APPOINTMENT.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed only for the remainder of such term.

(D) SERVICE AFTER EXPIRATION OF TERM.—A member may serve after the expiration of the term of the member until the successor of the member has taken office.

[(7)] (6) QUORUM.—8 members of the [permanent] board shall constitute a quorum.

[(8)] (7) NO ADDITIONAL PAY FOR FEDERAL OFFICERS OR EMPLOYEES.—Members of the [permanent] board who are fulltime officers or employees of the United States shall receive no additional pay by reason of service on the [permanent] board.

[(9)] (8) CHAIRPERSON.—The President shall designate 1 of the members of the [permanent] board who are appointed by the President as the chairperson of the [permanent] board.

[(10)] (9) MEETINGS.—The [permanent] board shall meet at the call of the chairperson or a majority of its members.

[(c)] (b) OFFICERS AND STAFF.—The Board may appoint, employ, fix the pay of, and provide other allowances and benefits for such

officers and employees of the Corporation as the Board determines to be appropriate.

* * * * *

SEC. 8.4. STOCK ISSUANCE.

(a) VOTING COMMON STOCK.—

(1) ISSUE.—The Corporation shall issue voting common stock having such par value as may be fixed by the Board from time to time. *Voting common stock shall be offered to banks, other financial entities, insurance companies, and System institutions under such terms and conditions as the Board may adopt. The voting stock shall be fairly and broadly offered to ensure that no institution or institutions acquire a disproportionate amount of the total amount of voting common stock outstanding of a class and that capital contributions and issuances of voting common stock for the contributions are fairly distributed between entities eligible to hold Class A and Class B stock, as provided under this paragraph.* Each share of voting common stock shall be entitled to one vote with rights of cumulative voting at all elections of directors. [Voting shall be by classes as described in section 8.2(a)(9).] The stock shall be divided into two classes with the same par value per share. Class A stock may be held only by entities that are not Farm Credit System institutions and that are entitled to vote for directors specified in section [8.2(b)(2)(A)] 8.2(a)(2)(A), including national banking associations (which shall be allowed to purchase and hold such stock). Class B stock may be held only by Farm Credit System institutions that are entitled to vote for directors specified in section [8.2(b)(2)(B)] 8.2(a)(2)(B).

(2) LIMITATION ON ISSUE.—After the date the permanent board first meets with a quorum of its members present, voting common stock of the Corporation may be issued only to originators and certified facilities.

(3) AUTHORITY OF BOARD TO ESTABLISH TERMS AND PROCEDURES.—The Board shall adopt such terms, conditions, and procedures with regard to the issue of stock under this section as may be necessary, including the establishment of a maximum amount limitation on the number of shares of voting common stock that may be outstanding at any time.

(4) TRANSFERABILITY.—Subject to such limitations as the Board may impose, any share of any class of voting common stock issued under this section shall be transferable among the institutions or entities to which shares of such class of common stock may be offered under paragraph (1), except that, as to the Corporation, such shares shall be transferable only on the books of the Corporation.

(5) MAXIMUM NUMBER OF SHARES.—No stockholder, other than a holder of class B stock, may own, directly or indirectly, more than 33 percent of the outstanding shares of such class of the voting common stock of the Corporation.

(b) REQUIRED CAPITAL CONTRIBUTIONS.—

(1) IN GENERAL.—The Corporation may require each originator and each certified facility to make, or commit to make, such nonrefundable capital contributions to the Corporation as

are reasonable and necessary to meet the administrative expenses of the Corporation.

(2) STOCK ISSUED AS CONSIDERATION FOR CONTRIBUTION.—The Corporation, from time to time, shall issue to each originator or certified facility voting common stock evidencing any capital contributions made pursuant to this subsection.

(c) DIVIDENDS.—

(1) IN GENERAL.—Such dividends as may be declared by the Board, in the discretion of the Board, shall be paid by the Corporation to the holders of the voting common stock of the Corporation pro rata based on the total number of shares of both classes of stock outstanding.

(2) RESERVES REQUIREMENT.—No dividend may be declared or paid by the Board under this section unless the Board determines that adequate provision has been made for the reserve required under section 8.10(c)(1).

(3) DIVIDENDS PROHIBITED WHILE OBLIGATIONS ARE OUTSTANDING.—No dividend may be declared or paid by the Board under this section while any obligation issued by the Corporation to the Secretary of the Treasury under section 8.13 remains outstanding.

(d) NONVOTING COMMON STOCK.—The Corporation is authorized to issue nonvoting common stock having such par value as may be fixed by the Board from time to time. Such nonvoting common stock shall be freely transferable, except that, as to the Corporation, such stock shall be transferable only on the books of the Corporation. Such dividends as may be declared by the Board, in the discretion of the Board, may be paid by the Corporation to the holders of the nonvoting common stock of the Corporation, subject to paragraphs (2) and (3) of subsection (c).

(e) PREFERRED STOCK.—

(1) AUTHORITY OF BOARD.—The Corporation is authorized to issue nonvoting preferred stock having such par value as may be fixed by the Board from time to time. Such preferred stock issued shall be freely transferable, except that, as to the Corporation, such stock shall be transferred only on the books of the Corporation.

(2) RIGHTS OF PREFERRED STOCK.—Subject to paragraphs (2) and (3) of subsection (c), the holders of the preferred stock shall be entitled to such rate of cumulative dividends, and such holders shall be subject to such redemption or other conversion provisions, as may be provided for at the time of issuance. No dividends shall be payable on any share of common stock at any time when any dividend is due on any share of preferred stock and has not been paid.

(3) PREFERENCE ON TERMINATION OF BUSINESS.—In the event of any liquidation, dissolution, or winding up of the business of the Corporation, the holders of the preferred shares of stock shall be paid in full at the par value thereof, plus all accrued dividends, before the holders of the common shares receive any payment.

* * * * *

SEC. 8.6. GUARANTEE OF QUALIFIED LOANS.

(a) GUARANTEE AUTHORIZED FOR CERTIFIED FACILITIES.—

(1) IN GENERAL.—Subject to the requirements of this section and on such other terms and conditions as the Corporation shall consider appropriate, the Corporation—

(A) shall guarantee the timely payment of principal and interest on the securities issued by a certified facility that represents interests solely in, or obligations fully backed by, any pool consisting solely of qualified loans which meet the applicable standards established under section 8.8 and which are held by such facility; and

(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

(i) meet the applicable standards established under section 8.8; and

(ii) have been purchased and held by the Corporation.

(2) INABILITY OF FACILITY TO PAY.—If the facility is unable to make any payment of principal or interest on any security for which a guarantee has been provided by the Corporation under paragraph (1), the Corporation shall make such payment as and when due in cash, and on such payment shall be subrogated fully to the rights satisfied by such payment.

(3) POWER OF CORPORATION.—Notwithstanding any other provision of law, the Corporation is empowered, in connection with any guarantee under this subsection, whether before or after any default, to provide by contract with the facility for the extinguishment, on default by the facility, of any redemption, equitable, legal, or other right, title, or interest of the facility in any mortgage or mortgages constituting the pool against which the guaranteed securities are issued. With respect to any issue of guaranteed securities, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such pool shall become the absolute property of the Corporation subject only to the unsatisfied rights of the holders of the securities based on and backed by such pool.

(b) OTHER RESPONSIBILITIES OF AND LIMITATIONS ON CERTIFIED FACILITIES.—As a condition for providing any guarantees under this section for securities issued by a certified facility that represent interests in, or obligations backed by, any pool of qualified loans, the Corporation shall require such facility to agree to comply with the following requirements:

(1) LOAN DEFAULT RESOLUTION.—The facility shall act in accordance with the standards of a prudent institutional lender to resolve loan defaults.

(2) SUBROGATION OF UNITED STATES AND CORPORATION TO INTERESTS OF FACILITY.—The proceeds of any collateral, judgments, settlements, or guarantees received by the facility with respect to any loan in such pool, shall be applied, after payment of costs of collection—

(A) first, to reduce the amount of any principal outstanding on any obligation of the Corporation that was purchased by the Secretary of the Treasury under section 8.13 to the extent the proceeds of such obligation were

used to make guarantees in connection with such securities; and

(B) second, to reimburse the Corporation for any such guarantee payments.

(3) LOAN SERVICING.—The originator of any loan in such pool shall be permitted to retain the right to service the loan.

(4) MINORITY PARTICIPATION IN PUBLIC OFFERINGS.—The facility shall take such steps as may be necessary to ensure that minority owned or controlled investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public offering of securities.

(5) NO DISCRIMINATION AGAINST STATES WITH BORROWERS RIGHTS.—The facility may not refuse to purchase qualified loans originating in States that have established borrowers rights laws either by statute or under the constitution of such States, except that the facility may require discounts or charge fees reasonably related to costs and expenses arising from such statutes or constitutional provisions.

(c) ADDITIONAL AUTHORITY OF THE BOARD.—To ensure the liquidity of securities for which guarantees have been provided under this section, the Board shall adopt appropriate standards regarding—

(1) the characteristics of any pool of qualified loans serving as collateral for such securities; and

(2) transfer requirements.

[(d) AGGREGATE PRINCIPAL AMOUNTS OF QUALIFIED LOANS.—

[(1) INITIAL YEAR.—During the first year after the date of the enactment of this title, the Corporation may not provide guarantees for securities representing interests in, or obligations backed by, qualified loans (other than loans which back securities issued by Farm Credit System institutions for which the Corporation provides a guarantee) in an aggregate principal amount in excess of 2 percent of the total agricultural real estate debt outstanding at the close of the prior calendar year (as published by the Board of Governors of the Federal Reserve System), less all Farmers Home Administration agricultural real estate debt.

[(2) SECOND YEAR.—During the year following the year referred to in paragraph (1), the Corporation may not provide guarantees for securities representing interests in, or obligations backed by, qualified loans (other than loans which back securities issued by Farm Credit System institutions for which the Corporation provides a guarantee) in an additional principal amount in excess of 4 percent of the total agricultural real estate debt outstanding at the close of the prior calendar year, less all Farmers Home Administration agricultural real estate debt.

[(3) THIRD YEAR.—During the year following the year referred to in paragraph (2), the Corporation may not provide guarantees for securities representing interests in, or obligations backed by, qualified loans (other than loans which back securities issued by Farm Credit System institutions for which the Corporation provides a guarantee) in an additional principal amount in excess of 8 percent of the total agricultural

real estate debt outstanding at the close of the prior calendar year, less all Farmers Home Administration agricultural real estate debt.

[(4) SUBSEQUENT YEARS.—In years subsequent to the year referred to in paragraph (3), the Corporation may provide guarantees without regard to the principal amount of the qualified loans guaranteed.

[(e)] (d) PURCHASE OF GUARANTEED SECURITIES.—

(1) PURCHASE AUTHORITY.—The Corporation (and affiliates) may purchase, hold, and sell any securities guaranteed under this section by the Corporation that represent interests in, or obligations backed by, pools of qualified loans. Securities issued under this section shall have maturities and bear rates of interest as determined by the Corporation.

(2) ISSUANCE OF DEBT OBLIGATIONS.—The Corporation (and affiliates) may issue debt obligations solely for the purpose of obtaining amounts for the purchase of any securities under paragraph (1), for the purchase of qualified loans (as defined in section [8.0(9)] 8.0(7)), and for maintaining reasonable amounts for business operations (including adequate liquidity) relating to activities under this subsection.

(3) TERMS AND LIMITATIONS.—

(A) TERMS.—The obligations issued under this subsection shall have maturities and bear rates of interest as determined by the Corporation, and may be redeemable at the option of the Corporation before maturity in the manner stipulated in the obligations.

(B) REQUIREMENT.—Each obligation shall clearly indicate that the obligation is not an obligation of, and is not guaranteed as to principal and interest by, the Farm Credit Administration, the United States, or any other agency or instrumentality of the United States (other than the Corporation).

(C) AUTHORITY.—The Corporation may not issue obligations pursuant to paragraph (2) under this subsection while any obligation issued by the Corporation under section 8.13(a) remains outstanding.

SEC. 8.8. STANDARDS FOR QUALIFIED LOANS.

(a) STANDARDS.—

(1) IN GENERAL.—The Corporation shall establish underwriting, security appraisal, and repayment standards for qualified loans taking into account the nature, risk profile, and other differences between different categories of qualified loans.

(2) SUPERVISION, EXAMINATION, AND REPORT OF CONDITION.—The standards shall be subject to the authorities of the Farm Credit Administration under section 8.11.

(3) MORTGAGE LOANS.—In establishing standards for qualified loans, the Corporation shall confine corporate operations, so far as practicable, to mortgage loans that are deemed by the Board to be of such quality so as to meet, substantially and generally, the purchase standards imposed by private institutional mortgage investors.

(b) MINIMUM CRITERIA.—To further the purpose of this title to provide a new source of long-term fixed rate financing to assist

farmers and ranchers to purchase agricultural real estate, the standards established by the Board pursuant to subsection (a) with respect to loans secured by agricultural real estate shall, at a minimum—

(1) provide that no agricultural mortgage loan with a loan-to-value ratio in excess of 80 percent may be treated as a qualified loan;

(2) require each borrower to demonstrate sufficient cash-flow to adequately service the agricultural mortgage loan;

(3) contain sufficient documentation standards;

(4) contain adequate standards to protect the integrity of the appraisal process with respect to any agricultural mortgage loans;

(5) contain adequate standards to ensure that the farmer or rancher is or will be actively engaged in agricultural production, and require the borrower to certify to the originator that the borrower intends to continue agricultural production on the farm or ranch involved;

(6) minimize speculation in agricultural real estate for non-agricultural purposes; and

(7) in establishing the value of agricultural real estate, consider the purpose for which the real estate is taxed.

(c) **LOAN AMOUNT LIMITATION.**—

(1) **IN GENERAL.**—A loan secured by agricultural real estate may not be treated as a qualified loan if the principal amount of such loan exceeds \$2,500,000, adjusted for inflation, except as provided in paragraph (2).

(2) **ACREAGE EXCEPTION.**—Paragraph (1) shall not apply with respect to any agricultural mortgage loan described in such paragraph if such loan is secured by agricultural real estate that, in the aggregate, comprises not more than [1,000] 2,000 acres.

(d) **NONDISCRIMINATION REQUIREMENT.**—The standards established under subsection (a) shall not discriminate against small originators or small agricultural mortgage loans that are at least \$50,000. The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.

SEC. 8.9. EXEMPTION FROM RESTRUCTURING AND BORROWERS RIGHTS PROVISIONS FOR POOLED LOANS.

(a) **RESTRUCTURING.**—Notwithstanding any other provision of law, sections 4.14, 4.14A, 4.14B, [4.14C,] 4.14D, and 4.36 shall not apply to any loan included in a pool of qualified loans backing securities or obligations for which the Corporation provides guarantee. The loan servicing standards established by the Corporation shall be patterned after similar standards adopted by other federally sponsored secondary market facilities.

(b) **BORROWERS RIGHTS.**—At the time of application for a loan (as defined in section 4.14A(a)(5)), originators that are Farm Credit System institutions shall give written notice to each applicant of the terms and conditions of the loan, setting forth separately terms and conditions for pooled loans and loans that are not pooled. This notice shall include a statement, if applicable, that the loan may be pooled and that, if pooled, sections 4.14, 4.14A, 4.14B, [4.14C,] 4.14D, and 4.36 shall not apply. This notice also shall inform the

applicant that he or she has the right not to have the loan pooled. Within 3 days from the time of commitment, an applicant has the right to refuse to allow the loan to be pooled, thereby retaining rights under sections 4.14, 4.14A, 4.14B, [4.14C,] 4.14D, and 4.36, if applicable.

* * * * *

SEC. 8.11. SUPERVISION, EXAMINATION, AND REPORT OF CONDITION.

(a) **REGULATION.**—

(1) **AUTHORITY.**—Notwithstanding any other provision of this Act, the Farm Credit Administration shall have the authority to provide, acting through the Office of Secondary Market Oversight—

(A) for the examination of the Corporation and its affiliates; and

(B) for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this title, including through the use of the authorities granted to the Farm Credit Administration under—

(i) part C of title V; and

(ii) beginning 6 months after December 13, 1991, section 5.17(a)(9).

(2) **CONSIDERATIONS.**—In exercising its authority pursuant to this section, the Farm Credit Administration shall consider—

(A) the purposes for which the Corporation was created;

(B) the practices appropriate to the conduct of secondary markets in agricultural loans; and

(C) the reduced levels of risk associated with appropriately structured secondary market transactions.

(3) **OFFICE OF SECONDARY MARKET OVERSIGHT.**—

(A) Not later than 180 days after the date of enactment of this paragraph, the Farm Credit Administration Board shall establish within the Farm Credit Administration the Office of Secondary Market Oversight.

(B) The Farm Credit Administration Board shall carry out the authority set forth in this section through the Office of Secondary Market Oversight.

(C) The Office of Secondary Market Oversight shall be managed by a full-time Director who shall be selected by and report to the Farm Credit Administration Board.

(b) **EXAMINATIONS AND AUDITS.**—

(1) **IN GENERAL.**—The financial transactions of the Corporation shall be examined by examiners of the Farm Credit Administration in accordance with the principles and procedures applicable to commercial corporate transactions under such rules and regulations as may be prescribed by the Administration.

(2) **FREQUENCY.**—The examinations shall occur at such times as the Farm Credit Administration Board may determine, but in no event less than once each year.

(3) **ACCESS.**—The examiners shall—

(A) have access to all books, accounts, financial records, reports, files, and all other papers, things, or property be-

longing to or in use by the Corporation and necessary to facilitate the audit; and

(B) be afforded full access for verifying transactions with certified facilities and other entities with whom the Corporation conducts transactions.

(c) ANNUAL REPORT OF CONDITION.—The Corporation shall make and publish an annual report of condition as prescribed by the Farm Credit Administration. Each report shall contain financial statements prepared in accordance with generally accepted accounting principles and contain such additional information as the Farm Credit Administration may by regulation prescribe. The financial statements of the Corporation shall be audited by an independent public accountant.

(d) FCA ASSESSMENTS TO COVER COSTS.—The Farm Credit Administration shall assess the Corporation for the cost to the Administration of any regulatory activities conducted under this section, including the cost of any examination.

(e) DEFINITION OF AFFILIATE.—As used in this title, the term “affiliate” shall mean an entity effectively controlled or owned by the Corporation, except that such term shall not include an originator (as defined in section [8.0(7)] 8.0(6)).

(f) The Farm Credit Administration Board shall ensure that—

(1) the Office of Secondary Market Oversight has access to a sufficient number of qualified and trained employees to adequately supervise the secondary market activities of the Corporation; and

(2) the supervision of the powers, functions, and duties of the Corporation is performed, to the extent practicable, by personnel who are not responsible for the supervision of the banks and associations of the Farm Credit System.

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Subtitle B—Regulation of Financial Safety and Soundness of Federal Agricultural Mortgage Corporation

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SEC. 8.32. RISK-BASED CAPITAL LEVELS.

(a) RISK-BASED CAPITAL TEST.—[Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Farm Credit System Reform Act of 1996, the] *The* Director of the Office of Secondary Market Oversight shall, by regulation, establish a risk-based capital test under this section for the Corporation. When applied to the Corporation, the risk-based capital test shall determine the amount of regulatory capital for the Corporation that is sufficient for the Corporation to maintain positive capital during a 10-year period in which both of the following circumstances occur:

(1) CREDIT RISK.—

(A) IN GENERAL.—With respect to securities representing an interest in, or obligations backed by, a pool of qualified loans owned or guaranteed by the Corporation and other obligations of the Corporation, losses on the underlying

qualified loans occur throughout the United States at a rate of default and severity (based on any measurements of default reasonably related to prevailing industry practice in determining capital adequacy) reasonably related to the rate and severity that occurred in contiguous areas of the United States containing an aggregate of not less than 5 percent of the total population of the United States that, for a period of not less than 2 years (as established by the Director), experienced the highest rates of default and severity of agricultural mortgage losses, in comparison with such rates of default and severity of agricultural mortgage losses in other such areas for any period of such duration, as determined by the Director.

(B) RURAL UTILITY LOANS.—With respect to securities representing an interest in, or obligation backed by, a pool of qualified loans described in section ~~8.0(9)(C)~~ 8.0(7)(C) owned or guaranteed by the Corporation, losses occur at a rate of default and severity reasonably related to risks in electric and telephone facility loans (as applicable), as determined by the Director.

(2) INTEREST RATE RISK.—Interest rates on Treasury obligations of varying terms increase or decrease over the first 12 months of such 10-year period by not more than the lesser of (A) 50 percent (with respect to the average interest rates on such obligations during the 12-month period preceding the 10-year period), or (B) 600 basis points, and remain at such level for the remainder of the period. This paragraph may not be construed to require the Director to determine interest rate risk under this paragraph based on the interest rates for various long-term and short-term obligations all increasing or all decreasing concurrently.

(b) CONSIDERATIONS.—

(1) ESTABLISHMENT OF TEST.—In establishing the risk-based capital test under subsection (a)—

(A) the Director shall take into account appropriate distinctions based on various types of agricultural mortgage products, varying terms of Treasury obligations, and any other factors the Director considers appropriate;

(B) the Director shall conform loan data used in determining credit risk to the minimum geographic and commodity diversification standards applicable to pools of qualified loans eligible for guarantee;

(C) the Director may take into account retained subordinated participating interests under section 8.6(b)(2) (as in effect before the date of the enactment of the Farm Credit System Reform Act of 1996);

(D) the Director may take into account other methods or tests to determine credit risk developed by the Corporation before December 13, 1991; and

(E) the Director shall consider any other information submitted by the Corporation in writing during the 180-day period beginning on December 13, 1991.

(2) REVISING TEST.—Upon the expiration of the 8-year period beginning on December 13, 1991, the Director shall examine the risk-based capital test under subsection (a) and may revise

the test. In making examinations and revisions under this paragraph, the Director shall take into account that, before December 13, 1991, the Corporation has not issued guarantees for pools of qualified loans. To the extent that the revision of the risk-based capital test causes a change in the classification of the Corporation within the enforcement levels established under section 8.35, the Director shall waive the applicability of any additional enforcement actions available because of such change for a reasonable period of time, to permit the Corporation to increase the amount of regulatory capital of the Corporation accordingly.

(c) **RISK-BASED CAPITAL LEVEL.**—For purposes of this subtitle, the risk-based capital level for the Corporation shall be equal to the sum of the following amounts:

(1) **CREDIT AND INTEREST RATE RISK.**—The amount of regulatory capital determined by applying the risk-based capital test under subsection (a) to the Corporation, adjusted to account for foreign exchange risk.

(2) **MANAGEMENT AND OPERATIONS RISK.**—To provide for management and operations risk, 30 percent of the amount of regulatory capital determined by applying the risk-based capital test under subsection (a) to the Corporation.

(d) **SPECIFIED CONTENTS.**—

(1) **IN GENERAL.**—The regulations establishing the risk-based capital test under this section shall—

(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

(B) contain specific requirements, definitions, methods, variables, and parameters used under the risk-based capital test and in implementing the test (such as loan loss severity, float income, loan-to-value ratios, taxes, yield curve slopes, default experience, prepayment rates, and performance of pools of qualified loans).

(2) **SPECIFICITY.**—The regulations referred to in paragraph (1) shall be sufficiently specific to permit an individual other than the Director to apply the test in the same manner as the Director.

(e) **AVAILABILITY OF MODEL.**—The Director shall make copies of the statistical model or models used to implement the risk-based capital test under this section available for public acquisition and may charge a reasonable fee for such copies.

SEC. 8.33. MINIMUM CAPITAL LEVEL.

(a) **IN GENERAL.**—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

- (A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;
 - (B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and
 - (C) other off-balance sheet obligations of the Corporation.
- (b) TRANSITION PERIOD.—
- (1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—
- (A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—
 - (i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;
 - (ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and
 - (iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);
 - (B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—
 - (i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;
 - (ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and
 - (iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);
 - (C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—
 - (i) if the Corporation's core capital is not less than \$25,000,000 on January 1, 1998, the sum of—
 - (I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;
 - (II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and
 - (III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or
 - (ii) if the Corporation's core capital is less than \$25,000,000 on January 1, 1998, the amount determined under subsection (a); and
 - (D) on and after January 1, 1999, shall be the amount determined under subsection (a).
- (2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—
- (A) the aggregate on-balance sheet assets of the Corporation acquired under section **[8.6(e)] 8.6(d)**; and

(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).

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SEC. 8.35. ENFORCEMENT LEVELS.

(a) **IN GENERAL.**—The Director shall classify the Corporation, for purposes of this subtitle, according to the following enforcement levels:

(1) **LEVEL I.**—The Corporation shall be classified as within level I if the Corporation—

(A) maintains an amount of regulatory capital that is equal to or exceeds the risk-based capital level established under section 8.32; and

(B) equals or exceeds the minimum capital level established under section 8.33.

(2) **LEVEL II.**—The Corporation shall be classified as within level II if—

(A) the Corporation—

(i) maintains an amount of regulatory capital that is less than the risk-based capital level; and

(ii) equals or exceeds the minimum capital level; or

(B) the Corporation is otherwise classified as within level II under subsection (b) of this section.

(3) **LEVEL III.**—The Corporation shall be classified as within level III if—

(A) the Corporation—

(i) does not equal or exceed the minimum capital level; and

(ii) equals or exceeds the critical capital level established under section 8.34; or

(B) the Corporation is otherwise classified as within level III under subsection (b) of this section.

(4) **LEVEL IV.**—The Corporation shall be classified as within level IV if the Corporation—

(A) does not equal or exceed the critical capital level; or

(B) is otherwise classified as within level IV under subsection (b) of this section.

(b) **DISCRETIONARY CLASSIFICATION.**—If at any time the Director determines in writing (and provides written notification to the Corporation and the Farm Credit Administration) that the Corporation is taking any action not approved by the Director that could result in a rapid depletion of core capital or that the value of the property subject to mortgages securitized by the Corporation or property underlying securities guaranteed by the Corporation, has decreased significantly, the Director may classify the Corporation—

(1) as within level II, if the Corporation is otherwise within level I;

(2) as within level III, if the Corporation is otherwise within level II; or

(3) as within level IV, if the Corporation is otherwise within level III.

(c) **QUARTERLY DETERMINATION.**—The Director shall determine the classification of the Corporation for purposes of this subtitle on not less than a quarterly basis (and as appropriate under sub-

section (b)). The first such determination shall be made for the quarter ending March 31, 1992.

(d) NOTICE.—Upon determining under subsection (b) or (c) that the Corporation is within level II or III, the Director shall provide written notice to the Congress and to the Corporation—

- (1) that the Corporation is within such level;
- (2) that the Corporation is subject to the provisions of section 8.36 or 8.37, as applicable; and
- (3) stating the reasons for the classification of the Corporation within such level.

[(e) IMPLEMENTATION.—Notwithstanding paragraphs (1) and (2) of subsection (a), during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32, the Corporation shall be classified as within level I if the Corporation equals or exceeds the minimum capital level established under section 8.33.]

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[SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

[(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than \$25,000,000, not later than the earlier of—

- [(1) the date that is 2 years after the date of enactment of this section; or
- [(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed \$2,000,000,000.

[(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

[(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed \$3,000,000,000 if the core capital of the Corporation is less than \$25,000,000.

[(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than \$25,000,000.]

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AGRICULTURAL MARKETING ACT

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[GENERAL POWERS OF BOARD

[SEC. 4. The board—

[(1) shall maintain its principal office within the Washington, D.C.-Maryland-Virginia standard metropolitan statistical area, and such other offices in the United States as in its judgment are necessary.

[(2) shall have an official seal which shall be judicially noticed.

[(3) shall make an annual report to Congress upon the administration of this Act and any other matter relating to the better effectuation of the policy declared in section 1, including recommendations for legislation.

[(4) may make such regulations as are necessary to execute the functions vested in it by this Act.

[(5) may appoint and fix the salaries of a secretary and such experts, and, in accordance with the Classification Act of 1923, as amended, and subject to the provisions of the civil service laws, such other officers and employees, as are necessary to execute such functions.

[(6) may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as are necessary to execute such functions. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board.

[(7) may sell at public or private sale to the highest responsible bidder, upon such terms and after such public advertisement as the Farm Credit Administration may deem in the public interest, any property, real or personal, or any interest therein, acquired by the United States on account of or as a result of any loans made from the revolving fund authorized by section 6 of this Act, as amended; may lease any such property, pending its sale, on such terms and for such period, not in excess of five years, as the Farm Credit Administration may deem in the public interest; and may incur and pay, from the said revolving fund, obligations and expenses for the operation, upkeep, maintenance, repair, disposition, insurance, and protection of any such property: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchase or service on account of such property.

[SPECIAL POWERS OF BOARD

[SEC. 5. The board is authorized and directed—

[(1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof.

[(2) to encourage the organization, improvement in methods, and development of effective cooperative associations.

[(3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand, at home and abroad.

[REVOLVING FUND

[SEC. 6. There is hereby authorized to be appropriated the sum of \$500,000,000 which shall be made available by the Congress as soon as practicable after the approval of this Act and shall constitute a revolving fund to be administered by the board as pro-

vided in this Act. Any and all funds derived from the sale, lease, operation, or other disposition of any property, real or personal, acquired by the United States on account of or as a result of any loan made pursuant to the provisions of this Act, shall be covered into and become a part of said revolving fund. Effective upon enactment of this sentence the sum authorized to be appropriated for the aforesaid revolving fund is reduced from \$500,000,000 to \$150,000,000 and any amount in said fund in excess of \$150,000,000 (including any amount thereof used to purchase capital stock in the central and regional banks for cooperatives) shall be credited to miscellaneous receipts of the Treasury.

【LOANS TO COOPERATIVE ASSOCIATIONS

【SEC. 7. (a) Upon application by any cooperative association the board is authorized to make loans to it from the revolving fund to assist in—

【(1) the effective merchandising of agricultural commodities and food products thereof and the financing of its operations;

【(2) the construction or acquisition by purchase or lease, or refinancing the cost of such construction or acquisition, of physical facilities.

【(b) No loan shall be made to any cooperative association unless, in the judgment of the board, the loan is in furtherance of the policy declared in section 1 and the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

【(c) Loans for the construction or acquisition by purchase or lease of physical facilities, or for refinancing the cost of such construction or acquisition shall be subject to the following conditions:

【(1) No such loan shall be made in an amount in excess of 60 per centum of the appraised value of the security thereof.

【(2) No loan for the purchase or lease of such facilities shall be made unless the Governor of the Farm Credit Administration finds that the purchase price or rent to be paid is reasonable.

【(d) Loans for the construction or purchase of physical facilities, together with interest on the loans, shall be repaid upon an amortization plan over a period not in excess of twenty years.

【MISCELLANEOUS LOAN PROVISIONS

【SEC. 8. (a)

【(b) Payments of principal or interest upon any such loan or advance shall be covered into the revolving fund.

【(c) Loans to any cooperative association or stabilization corporation shall be made upon the terms specified in this Act and upon such other terms not inconsistent therewith and upon such security as the board deems necessary.

【(d) No loan or insurance agreement shall be made by the board if in its judgment the agreement is likely to increase unduly the production of any agricultural commodity of which there is commonly produced a surplus in excess of the annual marketing requirements.】

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[EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

[SEC. 14. Vouchers approved by the chairman of the board for expenditures from the revolving fund pursuant to any loan or advance or from insurance moneys pursuant to any insurance agreement, shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

[MISCELLANEOUS PROVISIONS

[SEC. 15. (a) As used in this Act the term "cooperative association" means any association in which farmers act together in collectively processing, preparing for market, handling and/or marketing the farm products of persons so engaged and also means any association in which farmers act together in collectively purchasing, testing, grading, and/or processing their farm supplies: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements: First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum. And in any case to the following: Third. That the association shall not deal in the products of or supplies for non-members to an amount greater in value than such as are handled by it for members.

[(b) It shall be unlawful for any member, officer, or employee of the board to speculate, directly or indirectly, in any agricultural commodity or product thereof, or in contracts relating thereto, or in the stock or membership interests of any association or corporation engaged in handling, processing, or disposing of any such commodity or product. Any person violating this subdivision shall upon conviction thereof be fined not more than \$10,000, or imprisoned not more than ten years, or both.

[(c) It shall be unlawful (1) for any cooperative association, stabilization corporation, clearing house association, or commodity committee, or (2) for any director, officer, employee, or member or person acting on behalf of any such association, corporation, or committee, to which or to whom information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or committee, or director, officer, employee, or member thereof, violating this subdivision, shall be fined not more than \$5,000, or imprisoned not more than five years, or both.

[(d) If any provision of this Act is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity is held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

[(e) This Act may be cited as the "Agricultural Marketing Act."

[(f) As used in this Act, the term "agricultural commodity" includes, in addition to other agricultural commodities, crude gum

(oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived: Gum spirits of turpentine and gum rosin, as defined in the Naval Stores Act, approved March 3, 1923.】

ACT OF JUNE 22, 1939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 【That interest rates in excess of the rates set forth in notes or other obligations taken by the Federal Farm Board or the Farm Credit Administration for loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), shall not be charged or collected on any of said loans, whether such loans have been heretofore or are hereafter paid in whole or in part, except that in those cases where a borrower by specific contract has agreed to pay a higher rate of interest, the contract rate shall be charged for the period agreed upon; and the amount of any interest collected in excess of the rates thus set forth or contracted for shall be refunded out of said fund or credited on the borrower's indebtedness.】

EMERGENCY RELIEF AND CONSTRUCTION ACT OF 1932

* * * * *

TITLE II—LOANS BY RECONSTRUCTION FINANCE CORPORATION

【SEC. 201.

【(e) The Farm Credit Administration is further authorized to create in any of the twelve Federal land-bank districts where it may deem the same to be desirable a regional agricultural credit corporation with a paid-up capital of not less than \$3,000,000, to be subscribed for by the Farm Credit Administration and paid for out of the unexpended balance of the amounts allocated and made available to the Secretary of Agriculture under section 2 of the Farm Credit Administration Act. Such corporations shall be managed by officers and agents to be appointed by the Farm Credit Administration under such rules and regulations as its board of directors may prescribe. Such corporations are hereby authorized and empowered to make loans or advances to farmers and stockmen, the proceeds of which are to be used for an agricultural purpose (including crop production), or for the raising, breeding, fattening, or marketing of livestock, to charge such rates of interest or discount thereon as in their judgment are fair and equitable, subject to the approval of the Farm Credit Administration, and to rediscount with the Farm Credit Administration and the various Federal reserve banks and Federal intermediate credit banks any paper that they acquire which is eligible for such purpose. All expenses incurred in connection with the operation of such corporations shall be supervised and paid by the Farm Credit

Administration under such rules and regulations as its board of directors may prescribe.】

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SECTION 2 OF THE ACT OF JULY 14, 1953

(Public Law 115)

AN ACT TO amend the Act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

【SEC. 2. Loans under this Act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 per centum of the stock or other interest in the corporation or organization.】

FARM CREDIT ACT OF 1937

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【SEC. 32. Each regional agricultural credit corporation, created under the authority of section 201 (e) of the Emergency Relief and Construction Act of 1932 (U.S.C., 1934 edition, title 12, sec. 1148), in addition to the powers heretofore granted, shall have and, upon order or approval of the Farm Credit Administration, shall exercise the following rights, powers, and authority:

- 【(a) To conduct, transact, and operate its business in any State in the continental United States, in the District of Columbia, and in Puerto Rico.
- 【(b) To borrow money (other than by way of discount) from any other regional agricultural credit corporation, or any Federal intermediate credit bank, and to give security therefor.
- 【(c) To lend any of its available funds to any other regional agricultural credit corporation at such rates of interest and upon such terms and conditions as may be approved by the Farm Credit Administration.
- 【(d) To sell to or purchase from any other regional agricultural credit corporation or any corporation formed by consolidation or merger as provided in section 33 of this Act, any part of or all the assets of any such corporation, upon such terms and conditions as may be approved by the Farm Credit Administration, including the assumption of the liabilities of any such corporation, in whole or in part.

【SEC. 33. (a) The Farm Credit Administration shall have the power and authority to order and effect the consolidation or merger of two or more regional agricultural credit corporations, on such terms and conditions as it shall direct.

【(b) The Farm Credit Administration is authorized to grant charters to, prescribe bylaws for, and fix the capital of, regional agricultural credit corporations which may be formed by the consolidation of two or more regional agricultural credit corporations, and to approve or prescribe such amendments to the charter and bylaws of any regional agricultural credit corpora-

tion as it may from time to time deem necessary. Corporations formed by the consolidation of two or more regional agricultural credit corporations, as herein provided, shall have all the rights, powers, authority, and exemptions and shall be subject to the same supervision and control in the same manner as provided by law in respect to regional agricultural credit corporations organized under section 201 (e) of the Emergency Relief and Construction Act of 1932.

[SEC. 34. Nothing contained in sections 32 and 33 of this Act shall be construed as limiting the rights, powers, and authority heretofore granted to the regional agricultural credit corporations, the Farm Credit Administration, or the Governor thereof by any Acts of Congress or Executive orders.]

* * * * *

ACT OF MARCH 3, 1932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That the Secretary of Agriculture is hereby authorized to make advances or loans to individuals, under such regulations as he may prescribe, for the purpose of assisting in forming local agricultural-credit corporations, livestock-loan companies, or like organizations, or of increasing the capital stock of such corporations, companies, or organizations qualified to do business with Federal intermediate credit banks, or to which such privileges may be extended.]

[SEC. 2. (a) No loans shall be made to individual stockholders on the capital stock of, or to create or increase the capital stock of such corporation, company, or organization in an amount in excess of 75 per centum of the par value of the capital stock of such corporation, company, or organization owned by or proposed to be subscribed to by such individual.

[(b) No loan shall be made upon the capital stock of any corporation until the Secretary of Agriculture shall find that the financial structure of such corporation is sound and unimpaired and by him approved, nor shall any loan be made upon the capital stock of such corporation until the management of such company shall be made known to and approved by the Secretary, and the Secretary shall have the right at any time to declare the indebtedness to the Government that may be created hereunder due whenever in his judgement the financial structure of the corporation shall become so impaired or the management become so unsatisfactory as to jeopardize the interests of the Government.

[SEC. 3. No loan or advance shall be made to any individual upon the capital stock of or to create or increase the capital stock of any corporation, unless the paid in capital stock of such corporation shall be at least \$10,000.

[SEC. 4. To carry out the provisions of this resolution, including all expenses incurred thereunder, there are authorized to be appropriated, out of the unexpended balances of appropriations made to carry out the provisions of Public Resolution Numbered 112, Seventy-first Congress (46 Stat. 1032), as amended

by the Interior Department Appropriation Act for the fiscal year ending June 30, 1932, and as amended by Public Resolution Numbered 120 (46 Stat. 1167), and out of the collections from loans made under Public Resolution Numbered 112, as so amended, a sum not exceeding \$10,000,000, which sum shall be paid into a revolving fund. Not to exceed 2 per centum of such fund may be used for expenses of administration. All moneys received from time to time upon the repayment of any advance or loan made pursuant to this Act, together with the interest, shall be paid into the revolving fund and shall thereafter be available for the purposes and in the manner hereinbefore provided.】

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AGRICULTURAL CREDIT ACT OF 1987

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TITLE V—STATE MEDIATION PROGRAMS

Subtitle A—Matching Grants for State Mediation Programs

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SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle \$7,500,000 for each of the fiscal years 1988 through [2018] 2023.

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RURAL DEVELOPMENT ACT OF 1972

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TITLE V—RURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EDUCATION

* * * * *

SEC. 502. PROGRAMS AUTHORIZED.—The Secretary of Agriculture (*referred to in this title as the “Secretary”*) may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title.

(a) RURAL DEVELOPMENT EXTENSION PROGRAMS.—Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to community and rural development, businesses, Indian tribes on Federal or State res-

ervations or other federal recognized Indian tribal groups, and industries that employ or may employ people in rural area. The rural development extension programs shall also promote coordinated and integrated rural community initiatives that advance and empower capacity building through leadership development, entrepreneurship, business development and management training, and strategic planning to increase jobs, income, and quality of life in rural communities. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

- (b) **RURAL DEVELOPMENT RESEARCH.**—Rural development research shall consist of research, investigations, and basic feasibility studies in any field or discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals of this title.
- (c) **SMALL FARM RESEARCH PROGRAMS.**—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.
- (d) **SMALL FARM EXTENSION PROGRAMS.**—Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, farm machinery technology, marketing techniques and small farm finance; to increase use by small farm families of existing services offered by the Department of Agriculture and other public and private agencies and organizations; to assist small farm families in establishing and operating cooperatives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natural resources available to the small farm family.
- (e) **SPECIAL GRANTS PROGRAMS.**—Special grants programs shall consist of extension and research programs to strengthen research and education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and balanced growth; to develop alternative strategies for national and regional invest-

ment, and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

(h) RURAL DEVELOPMENT EXTENSION WORK.—

(1) NATIONAL PROGRAM.—The Secretary [of Agriculture] shall establish a national program, to be administered by the National Institute of Food and Agriculture, to provide rural citizens with training in, technical and management assistance regarding, and educational opportunities to enhance their knowledge of—

- (A) beginning businesses through entrepreneurship;
- (B) the procedures necessary to establish new businesses in rural areas;
- (C) self-employment opportunities in rural areas;
- (D) the uses of modern telecommunications and computer technologies;
- (E) business and financial planning; and
- (F) such other training, assistance, and educational opportunities as the Secretary determines are necessary to carry out the program established under this subsection.

(2) LEADERSHIP ABILITIES.—The program established under this subsection shall provide assistance designed to increase the leadership abilities of residents in rural areas. Such assistance shall include—

- (A) information relevant to the development of community goals;
- (B) instruction regarding the methods by which State or Federal funding for rural development projects might be obtained;
- (C) instruction regarding the successful writing of applications for loan or grant funds from government and private sources;
- (D) an updated listing of State, Federal, and other economic development programs available to rural areas; and
- (E) such other training, information, and assistance as the Secretary determines necessary to increase the leadership abilities of residents in rural areas.

(3) CATALOG OF PROGRAMS.—The National Rural Information Center Clearinghouse of the National Agricultural Library, in cooperation with the Extension Service in each State, should develop, maintain, and provide to each community, and make accessible to any other interested party, a catalog of available State, Federal, or private programs that provide leadership training or other information or services similar or complementary to the training or services required by this subsection. Such catalog should include, at a minimum, the following entities within the State that provide such training or services:

- (A) Any rural electric cooperative.
- (B) Any nonprofit company development corporation.
- (C) Any economic development district that serves a rural community.
- (D) Any nonprofit subsidiary of any private entity.

(E) Any nonprofit organization whose principal purpose is to promote economic development in rural areas.

(F) Any investor or publicly owned electric utility.

(G) Any small business development center or small business investment company.

(H) Any regional development organization.

(I) Any vocational or technical school.

(J) Any Federal, State, or local government agency or department.

(K) Any other entity that the Secretary deems appropriate.

The extension service in each State should include in the catalog information on the specific training or services provided by each entity in the catalog.

(4) EMPLOYEE TRAINING.—The Secretary shall provide training for appropriate State extension service employees, assigned to programs other than rural development, to ensure that such employees understand the availability of rural development programs in their respective States and the availability of National Institute of Food and Agriculture staff qualified to provide to rural citizens and to State extension staff training and materials for technical, management, and educational assistance.

(5) COORDINATION OF ASSISTANCE.—The Secretary shall ensure, to the extent practicable, that assistance provided under this subsection is coordinated with and delivered in cooperation with similar services or assistance provided by other Federal agencies or programs for rural residents.

(i) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—

(1) PROGRAMS AUTHORIZED.—

(A) INDIVIDUAL AND FAMILY HEALTH EDUCATION.—The Secretary may make grants for the establishment of individual and family health education programs that shall provide individuals and families with—

(i) information concerning the value of good health;

(ii) information to increase the individual or families motivation to take more responsibility for their own health;

(iii) access to health promotion activities; and

(iv) training for volunteers and health services providers concerning health promotion and health care services, in cooperation with the Department of Health and Human Services.

(B) FARM SAFETY EDUCATION.—The Secretary may make grants for the establishment of farm safety education programs that shall provide information and training to farm workers, timber harvesters, and farm families concerning safety in the work place, including information and training concerning—

(i) the reduction of occupational injury and death rates;

(ii) the reduction and prevention of exposure to farm chemicals;

(iii) the reduction of agricultural respiratory diseases and dermatitis;

(iv) the reduction and prevention of noise induced hearing loss;

(v) the occupational rehabilitation of farmers and timber harvesters with physical disabilities; and

(vi) farm accident rescue procedures.

(C) RURAL HEALTH LEADERSHIP DEVELOPMENT.—The Secretary, in consultation with the Office of Rural Health Policy of the Department of Health and Human Services, may make grants to academic medical centers or land grant colleges and universities, or any combination thereof, for the establishment of rural health leadership development education programs that shall assist rural communities in developing health care services and facilities that will provide the maximum benefit for the resources invested and assist community leaders and public officials in understanding their roles and responsibilities relative to rural health services and facilities, including—

(i) community decisions regarding funding for and retention of rural hospitals;

(ii) rural physician and allied health professionals recruitment and retention;

(iii) the aging rural population and senior services required to care for the population;

(iv) the establishment and maintenance of rural emergency medical services systems; and

(v) the application of computer-assisted capital budgeting decision aids for rural health services and facilities.

(2) COORDINATION OF PROGRAMS.—Educational programs conducted with grants awarded under this subsection shall be coordinated with the State offices of rural health and other appropriate programs of the Department of Health and Human Services.

(3) DISSEMINATION OF INFORMATION.—Educational programs conducted with grants awarded under this subsection shall provide leadership within the State for the dissemination of appropriate rural health and safety information resources possessed by the Rural Information Center established at the National Agricultural Library.

(4) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures and limitations that shall apply to States or entities described in paragraph (1)(C) that desire to receive a grant under this subsection. In States with land-grant colleges and universities that are eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, and universities which receive Rural Health Research Center grants, such eligible institutions shall mutually determine the type of rural health and safety education program needed in the State within which such institutions reside.

(5) PROCEDURE DURING TEMPORARY REPRIORITIZATIONS.—*While a temporary reprioritization announced under section 608 of the Rural Development Act of 1972 is in effect, in making grants under this subsection, the Secretary shall give pri-*

ority to an applicant that will use the grant to address the announced emergency.

[(5)] (6) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated \$5,000,000 for fiscal year 1991, \$10,000,000 for fiscal year 1992, \$15,000,000 for fiscal year 1993, and \$20,000,000 for fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this subsection shall remain available until expended.

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TITLE VI—MISCELLANEOUS

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SEC. 608. TEMPORARY PRIORITIZATION OF RURAL HEALTH ASSISTANCE.

(a) *AUTHORITY TO PRIORITIZE CERTAIN RURAL HEALTH APPLICATIONS.*—The Secretary, after consultation with such public health officials as may be necessary, may announce a temporary reprioritization for certain rural development loan and grant applications to assist rural communities in responding to a specific health emergency.

(b) *CONTENT OF ANNOUNCEMENT.*—In the announcement, the Secretary shall—

- (1) specify the nature of the emergency affecting the health of rural Americans;
- (2) describe the actual and potential effects of the emergency on the rural United States;
- (3) identify the services and treatments which can be used to reduce those effects; and
- (4) publish the specific temporary changes needed to assist rural communities in responding to the emergency

(c) *NOTICE.*—Not later than 48 hours after making or extending an announcement under this section, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and transmit to the Secretary of Health and Human Services, a written notice of the declaration or extension.

(d) *EXTENSION.*—The Secretary may extend an announcement under subsection (a) if the Secretary determines that the emergency will continue after the declaration would otherwise expire.

(e) *EXPIRATION.*—An announcement under subsection (a) shall expire on the earlier of—

- (1) the date the Secretary determines that the emergency has ended; or
- (2) the end of the 360-day period beginning with the later of—
 - (A) the date the announcement was made; or
 - (B) the date the announcement was most recently extended.

ACT OF OCTOBER 28, 1992

(Public Law 102-551)

AN ACT To amend the Food, Agriculture, Conservation, and Trade Act of 1990 to improve health care services and educational services through telecommunications, and for other purposes.

SECTION 1. IMPROVEMENT OF HEALTH CARE SERVICES AND EDUCATIONAL SERVICES THROUGH TELECOMMUNICATIONS.

(a) Amendatory (Omitted)

(b) EXTENSION OF CHAPTER 1.—Notwithstanding any other provision of law, chapter 1 of subtitle D of title XXIII of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa et seq.), including the amendments made by this section, shall be effective until September 30, ~~2018~~ 2023.

(c) Amendatory (Omitted)

(d) EFFECT OF AMENDMENTS.—The amendments made by this section shall not apply to funds appropriated for fiscal year 1993 to carry out subtitle D of title XXIII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) or require the revision of any regulation proposed to carry out such subtitle during fiscal year 1993.

RURAL ELECTRIFICATION ACT OF 1936

TITLE I

* * * * *

SEC. 8. LIMITATIONS ON USE OF ASSISTANCE.

(a) *Subject to subsections (b) and (c) of this section, the Secretary may allow a recipient of a grant, loan, or loan guarantee under this title to set aside not more than 10 percent of the amount so received to provide retail broadband service.*

(b) *A recipient who sets aside funds under subsection (a) of this section may use the funds only in an area that is not being provided with the minimum acceptable level of broadband service established under section 601(e), unless the recipient meets the requirements of section 601(d).*

(c) *Nothing in this section shall be construed to limit the ability of any borrower to finance or deploy services authorized under this title.*

* * * * *

SEC. 12. (a) The Secretary is authorized and empowered to extend the time of payment of interest or principal of any loans made by the Secretary pursuant to this Act, except that, with respect to any loan made under section 4 or section 201, the payment of interest or principal shall not be extended more than five years after such payment shall have become due.

(b)(1) Subject to limitations established in appropriations Acts, the Secretary shall permit any borrower to defer the payment of principal and interest on any insured or direct loan made under this Act under circumstances described in this subsection, notwithstanding any limitation contained in subsection (a), except that such deferment shall not be permitted based on the determination of the Secretary of the financial hardship of the borrower.

(2)(A) In the case of deferments made to enable the borrower to provide financing to local businesses, the deferment shall be repaid in equal installments, without the accrual of interest, over the 60-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

(B) In the case of deferments made to enable the borrower to provide community development assistance, technical assistance to businesses, and for other community, business, or economic development projects not included under subparagraph (A), the deferment shall be repaid in equal installments, without the accrual of interest, over the 120-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

(3)(A) A borrower may defer its debt service payments only in an amount equal to an investment made by such borrower as described in paragraph (2).

(B) The amount of the deferment shall not exceed 50 percent of the total cost of a community or economic development project for which a deferment is provided under this subsection.

(C) The total amount of deferments under this subsection during each of the fiscal years 1990 through 1993 shall not exceed 3 percent of the total payments due during such fiscal year from all borrowers on direct and insured loans made under this Act and shall not exceed 5 percent of such total payments due in each subsequent fiscal year.

(D) At the time of a deferment, the borrower shall make a payment to a cushion of credit account established and maintained pursuant to section 313 in an amount equal to the amount of the payment deferred. The balance of such account shall not be reduced by the borrower below the level of the unpaid balance of the payment deferred. Subject to limitations established in annual appropriations Acts, such cushion of credit amounts and any other cushion of credit and advance payments of any borrower shall be included in the interest differential calculation under section **313(b)(2)(A)** *313(b)(2)*.

(4) The Secretary shall undertake all reasonable efforts to permit the full amount of deferments authorized by this subsection during each fiscal year.

(c) DEFERMENT OF PAYMENTS ON LOANS.—

(1) IN GENERAL.—The Secretary shall allow borrowers to defer payment of principal and interest on any direct loan made under this Act to enable the borrower to make loans to residential, commercial, and industrial consumers—

(A) to conduct energy efficiency and use audits; and

(B) to install energy efficient measures or devices that reduce the demand on electric systems.

(2) AMOUNT.—The total amount of a deferment under this subsection shall not exceed the sum of the principal and interest on the loans made to a customer of the borrower, as determined by the Secretary.

(3) TERM.—The term of a deferment under this subsection shall not exceed 60 months.

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SEC. 18. GENERAL PROHIBITIONS.

(a) **NO CONSIDERATION OF BORROWER'S LEVEL OF GENERAL FUNDS.**—The Secretary [and the Governor of the telephone bank] shall not deny or reduce any loan or loan advance under this Act based on a borrower's level of general funds.

(b) **LOAN ORIGINATION FEES.**—The Secretary [and the Governor of the telephone bank] may not charge any fee or charge not expressly provided in this Act in connection with any loan made or guaranteed under this Act.

(c) **CONSULTANTS.**—

(1) **IN GENERAL.**—To facilitate timely action on applications by borrowers for financial assistance under this Act and for approvals required of the Rural Electrification Administration pursuant to the terms of outstanding loan or security instruments or otherwise, the Secretary may use consultants funded by the borrower, paid for out of the general funds of the borrower, for financial, legal, engineering, and other technical advice and services in connection with the review of the application by the Rural Electrification Administration.

(2) **CONFLICTS OF INTEREST.**—The Secretary shall establish procedures for the selection and the provision of technical services by consultants to ensure that the consultants have no financial or other conflicts of interest in the outcome of the application of the borrower.

(3) **PAYMENT OF COSTS.**—The Secretary may not, without the consent of the borrower, require, as a condition of processing an application for approval, that the borrower agree to pay the costs, fees, and expenses of consultants hired to provide technical or advisory services to the Secretary.

(4) **CONTRACTS, GRANTS, AND AGREEMENTS.**—The Secretary may enter into such contracts, grants, or cooperative agreements as are necessary to carry out this section.

(5) **USE OF CONSULTANTS.**—Nothing in this subsection shall limit the authority of the Secretary to retain the services of consultants from funds made available to the Secretary or otherwise.

* * * * *

TITLE II

SEC. 201. From such sums as are from time to time made available by the Congress to the Secretary for such purpose, pursuant to section 3 of the Rural Electrification Act of 1936, as amended, the Secretary or is authorized and empowered to make loans to persons now providing or who may hereafter provide telephone service in rural areas, to public bodies now providing telephone service in rural areas and to cooperative, nonprofit, limited dividend, or mutual associations. Except as otherwise provided by this title, such loans shall be made under the same terms and conditions as are provided in section 4 of said Act, for the purpose of financing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas: *Provided, however,* That the Secretary, in making such loans, shall give preference to persons providing telephone service in rural areas, to public bodies

now providing telephone service in rural areas, and to cooperative, nonprofit, limited dividend, or mutual associations: *And provided further*, That for a period of one year from and after the effective date of this title applications for loans received by the Secretary from persons who on the effective date of this title are engaged in the operation of existing telephone service in rural areas shall be considered and acted upon before action is taken upon any application received from any other person for any loan to finance the furnishing or improvement of telephone service to substantially the same subscribers. The Secretary in making such loans shall, insofar as possible, obtain assurance that the telephone service to be furnished or improved thereby will be made available to the [wildest] widest practical number of rural users. When it is determined by the Secretary to be necessary in order to furnish or improve telephone service in rural areas, such loans may be made for the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems without regard to their geographical location. The Secretary is further authorized and empowered to make loans for the purpose of refinancing outstanding indebtedness of persons furnishing telephone service in rural areas *including indebtedness on a loan made under section 601: Provided*, That such refinancing shall be determined by the Secretary to be necessary in order to furnish and improve telephone service in rural areas: *And provided further*, That such refinancing shall constitute not more than 40 per centum of any loan made under this title. Loans under this section shall not be made unless the Secretary finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be repaid within the time agreed, nor shall such loan be made in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless such certificate from such agency is first obtained. In a State in which there is no such agency or regulatory body legally authorized to issue such certificates to the applicant, no loan shall be made under this section unless the Secretary shall determine (and set forth his reasons therefor in writing) that no duplication of lines, facilities, or systems, providing reasonably adequate services will result therefrom.

* * * * *

SEC. 204. LOAN FEASIBILITY.

The Secretary [and the Governor of the telephone bank] may not, as a condition of making a telephone loan to an applicant therefor, require the applicant to—

- (1) increase the rates charged to the applicant's customers or subscribers; or
- (2) increase the applicant's ratio of—
 - (A) net income or margins before interest; to
 - (B) the interest requirements on all of the applicant's outstanding and proposed loans.

SEC. 205. CERTAIN RURAL DEVELOPMENT INVESTMENTS BY QUALIFIED TELEPHONE BORROWERS NOT TREATED AS DIVIDENDS OR DISTRIBUTIONS.

(a) **IN GENERAL.**—The Secretary [and the Governor of the telephone bank] shall not—

(1) treat any amount invested by any qualified telephone borrower for any purpose described in section 607(c)(2) of the Rural Development Act of 1972 (including any investment in, or extension of credit, guarantee, or advance made to, an affiliated company of the borrower, that is used by such company for such a purpose) as a dividend or distribution of capital to the extent that, immediately after such investment, the aggregate of such investments does not exceed $\frac{1}{3}$ of the net worth of the borrower; or

(2) require a qualified telephone borrower to obtain the approval of the Secretary [or the Governor of the telephone bank] in order to make an investment described in paragraph (1).

(b) **QUALIFIED TELEPHONE BORROWER DEFINED.**—As used in subsection (a), the term “qualified telephone borrower” means a person—

(1) to whom a telephone loan has been made or guaranteed under this Act; and

(2) whose net worth is at least 20 percent of the total assets of such person.

SEC. 206. GENERAL DUTIES AND PROHIBITIONS.

(a) **DUTIES.**—The Secretary [and the Governor of the telephone bank] shall—

(1) notwithstanding section 553(a)(2) of title 5, United States Code, cause to be published in the Federal Register, in accordance with subsections (b) through (e) of section 553 of such title, all rules, regulations, bulletins, and other written policy standards governing the operations of the telephone loan and loan guarantee programs administered under this Act other than those relating to agency management and personnel;

(2) in evaluating the feasibility of a telephone loan to be made to a borrower for telephone services, use—

(A) with respect to items for which the regulatory authority with jurisdiction over the provision of such services has approved the depreciation rates used by the borrower, such approved rates; and

(B) with respect to other items, the average of the depreciation rates used by borrowers of telephone loans made under this Act;

(3) annually determine and publish the average described in paragraph (2)(B); and

(4) make loans for all purposes for which telephone loans are authorized under section 201 [or 408], to the extent of qualifying applications therefor.

(b) **PROHIBITIONS.**—The Secretary [and the Governor of the telephone bank] shall not—

(1) rescind an insured telephone loan[, or a Rural Telephone Bank loan,] made under this Act without the consent of the borrower, unless all of the purposes for which telephone loans

have been made to the borrower under this Act have been accomplished with funds provided under this Act;

(2) regulate the order or sequence of advances of funds under telephone loans made under this Act to any borrower who has received any combination of telephone loans from the Secretary[, the Rural Telephone Bank,] or the Federal Financing Bank; or

(3) deny a loan or advance to, or take any other adverse action against, an applicant for, or a borrower of, a telephone loan under this Act for any reason that is not based on a rule, regulation, bulletin, or other written policy standard that has not been published pursuant to section 553 of title 5, United States Code.

SEC. 207. PROMPT PROCESSING OF TELEPHONE LOANS.

Within ten days after the end of the second and fourth calendar quarters of each year, the Secretary shall submit to the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report—

(1) identifying each completed application for a telephone loan under section [305,] 305 or a guarantee of a telephone loan under section 306[, or a loan under section 408,] that has not been finally acted upon within ninety days after the date the completed application is submitted; and

(2) stating the reasons for the failure to finally act upon the completed applications within such ninety-day period.

SEC. 208. AUTHORITY TO OBLIGATE, BUT NOT DISBURSE, FUNDS BEFORE THE COMPLETION OF REVIEWS.

(a) *IN GENERAL.*—*The Secretary may obligate, but shall not disburse, funds under this title for a project before the completion of any otherwise required environmental, historical, or other review of the project.*

(b) *AUTHORITY TO DEOBLIGATE FUNDS.*—*The Secretary may deobligate funds under this title for a project if any such review will not be completed within a reasonable period of time.*

TITLE III

SEC. 301. RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND.—There is hereby established in the Treasury of the United States a fund, to be known as the Rural Electrification and Telephone Revolving Fund (hereinafter referred to as the “Fund”), consisting of:

(1) all notes, bonds, obligations, liens, mortgages, and property delivered or assigned to the Secretary pursuant to loans heretofore or hereafter made under sections 4, 5, and 201 of this Act and under this title, as of the effective date of this title, as revised herein, and all proceeds from the sales hereunder of such notes, bonds, obligations, liens, mortgages, and property, which shall be transferred to and be assets of the fund;

(2) undisbursed balances of electric and telephone loans made under sections 4, 5, and 201, which as of the effective

date of this title, as revised herein, shall be transferred to and be assets of the fund;

(3) all collections of principal and interest received on and after July 1, 1972, on notes, bonds, judgments, or other obligations made or held under titles I and II of this Act and under this title, [except for net collection proceeds previously appropriated for the purchase of class A stock in the Rural Telephone Bank,] which shall be paid into and be assets of the fund;

(4) all appropriations for interest subsidies and losses required under this title which may hereafter be made by the Congress and the unobliged balances of any funds made available for loans under the item "Rural Electrification Administration" in the Department of Agriculture and Agriculture-Environmental and Consumer Protection Appropriations Acts; or

(5) moneys borrowed from the Secretary of the Treasury pursuant to section 304(a)[; and].

[(6) shares of the capital stock of the Rural Telephone Bank purchased by the United States pursuant to section 406(a) of this Act and moneys received from said bank upon retirement of said shares of stock in accordance with the provisions of title IV of this Act, when said shares and moneys shall be assets of the fund.]

* * * * *

SEC. 305. INSURED LOANS; INTEREST RATES AND LENDING LEVELS.

(a) **IN GENERAL.**—The Secretary is authorized to make insured loans under this title and at the interest rates hereinafter provided to the full extent of the assets available in the fund, subject only to limitations as to amounts authorized for loans and advances as may be from time to time imposed by the Congress of the United States for loans to be made in any one year, which amounts shall remain available until expended: *Provided*, That the Congress in the annual appropriation Act may also authorize the transfer of any excess cash in the fund for deposit into the Treasury as miscellaneous receipts: *And provided further*, That any such loans and advances shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

(b) **INSURED LOANS.**—Loans made under this section shall be insured by the Secretary when purchased by a lender. As used in this Act, an insured loan is one which is made, held, and serviced by the Secretary, and sold and insured by the Secretary hereunder; such loans shall be sold and insured by the Secretary without undue delay.

(c) **INSURED ELECTRIC LOANS.**—

(1) **HARDSHIP LOANS.**—

(A) **IN GENERAL.**—The Secretary shall make insured electric loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year to any applicant for a loan who meets each of the following requirements:

(i) The average revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the aver-

age revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

(ii) The average residential revenue per kilowatt-hour sold by the applicant is not less than 120 percent of the average residential revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service.

(iii) The average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

(B) SEVERE HARDSHIP LOANS.—In addition to hardship loans that are made under subparagraph (A), the Secretary may make an insured electric loan at an interest rate of 5 percent per year to an applicant for a loan if, in the sole discretion of the Secretary, the applicant has experienced a severe hardship.

(C) LIMITATION.—Except as provided in subparagraph (D), the Secretary may not make a loan under this paragraph to an applicant for the purpose of furnishing or improving electric service to a consumer located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

(D) EXTREMELY HIGH RATES.—In addition to hardship loans that are made under subparagraphs (A) and (B), the Secretary shall make insured electric loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year to any applicant for a loan whose residential revenue exceeds 15.0 cents per kilowatt-hour sold. A qualifying application from such an applicant for the purpose of furnishing or improving electric service to a consumer located outside of an urbanized area shall not be subject to the conditions or limitation of subparagraph (A) or (C).

(2) MUNICIPAL RATE LOANS.—

(A) IN GENERAL.—The Secretary shall make insured electric loans, to the extent of qualifying applications for the loans, at the interest rate described in subparagraph (B) for the term or terms selected by the applicant pursuant to subparagraph (C).

(B) INTEREST RATE.—

(i) IN GENERAL.—Subject to clause (ii), the interest rate described in this subparagraph on a loan to a qualifying applicant shall be—

(I) the interest rate determined by the Secretary to be equal to the current market yield on outstanding municipal obligations with remaining periods to maturity similar to the term selected by the applicant pursuant to subparagraph (C), but not greater than the rate determined under sec-

tion 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)) that is based on the current market yield on outstanding municipal obligations; plus

(II) if the applicant for the loan makes an election pursuant to subparagraph (D) to include in the loan agreement the right of the applicant to prepay the loan, a rate equal to the amount by which—

(aa) the interest rate on commercial loans for a similar period that afford the borrower such a right; exceeds

(bb) the interest rate on commercial loans for the period that do not afford the borrower such a right.

(ii) **MAXIMUM RATE.**—The interest rate described in this subparagraph on a loan to an applicant for the loan shall not exceed 7 percent if—

(I) the average number of consumers per mile of line of the total electric system of the applicant is less than 5.50; or

(II)(aa) the average revenue per kilowatt-hour sold by the applicant is more than the average revenue per kilowatt-hour sold by all utilities in the State in which the applicant provides service; and

(bb) the average per capita income of the residents receiving electric service from the applicant is less than the average per capita income of the residents of the State in which the applicant provides service, or the median household income of the households receiving electric service from the applicant is less than the median household income of the households in the State.

(iii) **EXCEPTION.**—Clause (ii) shall not apply to a loan to be made to an applicant for the purpose of furnishing or improving electric service to consumers located in an urban area (as defined by the Bureau of the Census) if the average number of consumers per mile of line of the total electric system of the applicant exceeds 17.

(C) **LOAN TERM.**—

(i) **IN GENERAL.**—Subject to clause (ii), the applicant for a loan under this paragraph may select the term for which an interest rate shall be determined pursuant to subparagraph (B), and, at the end of the term (and any succeeding term selected by the applicant under this subparagraph), may renew the loan for another term selected by the applicant.

(ii) **MAXIMUM TERM.**—

(I) **APPLICANT.**—The applicant may not select a term that ends more than 35 years after the beginning of the first term the applicant selects under clause (i).

(II) SECRETARY.—The Secretary may prohibit an applicant from selecting a term that would result in the total term of the loan being greater than the expected useful life of the assets being financed.

(D) CALL PROVISION.—The Secretary shall offer any applicant for a loan under this paragraph the option to include in the loan agreement the right of the applicant to prepay the loan on terms consistent with similar provisions of commercial loans.

(3) OTHER SOURCE OF CREDIT NOT REQUIRED IN CERTAIN CASES.—The Secretary may not require any applicant for a loan made under this subsection who is eligible for a loan under paragraph (1) to obtain a loan from another source as a condition of approving the application for the loan or advancing any amount under the loan.

(d) INSURED TELEPHONE LOANS.—

(1) HARDSHIP LOANS.—

(A) IN GENERAL.—The Secretary shall make insured telephone loans, to the extent of qualifying applications for the loans, at an interest rate of 5 percent per year, to any applicant who meets each of the following requirements:

(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 4.

(ii) The applicant is capable of producing net income or margins before interest of not less than 100 percent (but not more than 300 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

(iii) The Secretary has approved a telecommunications modernization plan for the State under paragraph (3) and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

(iv) The average number of subscribers per mile of line in the area included in the proposed loan is not more than 17.

(B) AUTHORITY TO WAIVE TIER REQUIREMENT.—The Secretary may waive the requirement of subparagraph (A)(ii) in any case in which the Secretary determines (and sets forth the reasons for the waiver in writing) that the requirement would prevent emergency restoration of the telephone system of the applicant or result in severe hardship to the applicant.

(C) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan under title IV.

(2) COST-OF-MONEY LOANS.—

(A) IN GENERAL.—The Secretary may make insured telephone loans for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise

equipment) related to the furnishing, improvement, or extension of rural telecommunications service, at an interest rate equal to the then current cost of money to the Government of the United States for loans of similar maturity, but not more than 7 percent per year, to any applicant for a loan who meets the following requirements:

(i) The average number of subscribers per mile of line in the service area of the applicant is not more than 15, or the applicant is capable of producing net income or margins before interest of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

(ii) The Secretary has approved a telecommunications modernization plan for the State under paragraph (3) and, if the plan was developed by telephone borrowers under this title, the applicant is a participant in the plan.

(B) CONCURRENT LOAN AUTHORITY.—On request of any applicant for a loan under this paragraph during any fiscal year, the Secretary shall—

(i) consider the application to be for a loan under this paragraph [and a loan under section 408]; and

(ii) if the applicant is eligible for a loan, make a loan to the applicant under this paragraph in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this paragraph [and under section 408], as the amount made available for loans under this paragraph for the fiscal year bears to the total amount made available for loans under this paragraph [and under section 408] for the fiscal year.

(C) EFFECT OF LACK OF FUNDS.—On request of any applicant who is eligible for a loan under this paragraph for which funds are not available, the applicant shall be considered to have applied for a loan guarantee under section 306.

(3) STATE TELECOMMUNICATIONS MODERNIZATION PLANS.—

(A) APPROVAL.—If, not later than 1 year after final regulations are promulgated to carry out this paragraph, any State, either by statute or through the public utility commission of the State, develops a telecommunications modernization plan that meets the requirements of subparagraph (B), the Secretary shall approve the plan for the State. If a State does not develop a plan in accordance with the requirements of the preceding sentence, the Secretary shall approve any telecommunications modernization plan for the State that meets the requirements that is developed by a majority of the borrowers of telephone loans made under this title who are located in the State.

(B) REQUIREMENTS.—For purposes of subparagraph (A), a telecommunications modernization plan must, at a minimum, meet the following objectives:

(i) The plan must provide for the elimination of party line service.

(ii) The plan must provide for the availability of telecommunications services for improved business, educational, and medical services.

(iii) The plan must encourage and improve computer networks and information highways for subscribers in rural areas.

(iv) The plan must provide for—

(I) subscribers in rural areas to be able to receive through telephone lines—

(aa) conference calling;

(bb) video images; and

(cc) data at a rate of at least 1,000,000 bits of information per second; and

(II) the proper routing of information to subscribers.

(v) The plan must provide for uniform deployment schedules to ensure that advanced services are deployed at the same time in rural and nonrural areas.

(vi) The plan must provide for such additional requirements for service standards as may be required by the Secretary.

(C) FINALITY OF APPROVAL.—A telecommunications modernization plan approved under subparagraph (A) may not subsequently be disapproved. Notwithstanding paragraphs (1)(A)(iii) and (2)(A)(iii), [and section 408(b)(4)(C), the Secretary and the Governor of the telephone bank] *the Secretary* may make a loan to a borrower serving a State that does not have a telecommunication modernization plan approved by the Secretary if the loan is made less than 1 year after the Secretary has adopted final regulations implementing this paragraph.

SEC. 306. GUARANTEED LOANS; ACCOMMODATION AND SUBORDINATION OF LIENS.—The Secretary may provide financial assistance to borrowers for purposes provided in the Rural Electrification Act of 1936, as amended, by guaranteeing loans, in the full amount thereof, made by [the Rural Telephone Bank, National Rural Utilities Cooperative Finance Corporation,] *the National Rural Utilities Cooperative Finance Corporation* and any other legally organized lending agency, or by accommodating or subordinating liens or mortgages in the fund held by the Secretary as owner or as trustee or custodian for purchases of notes from the fund, or by any combination of such guarantee, accommodation, or subordination. The Secretary shall not provide such assistance to any borrower of a telephone loan under this Act unless the borrower specifically applies for such assistance. No fees or charges shall be assessed for any such accommodation or subordination. Guaranteed loans shall bear interest at the rate agreed upon by the borrower and the lender. Guaranteed loans, and accommodation and subordination of liens or mortgages, may be made concurrently with an insured loan. The amount of guaranteed loans shall be subject only to such limitations as to amounts as may be authorized from time to time by the Congress of the United States: *Provided*, That any amounts guaranteed hereunder shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net

lending (budget outlays) of the United States. As used in this title a guaranteed loan is one which is initially made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder. A guaranteed loan, including the related guarantee, may be assigned to the extent provided in the contract of guarantee executed by the Secretary under this title; the assignability of such loan and guarantee shall be governed exclusively by said contract of guarantee.

* * * * *

SEC. 309. LOAN TERMS AND CONDITIONS.

Loans made for or insured through the fund shall be for the same purpose and on the same terms and conditions as are provided for loans in titles I and II of this Act except as otherwise provided in sections 303 to 308 inclusive. [The preceding sentence shall not be construed to make section 408(b)(2) or 412 applicable to this title.]

* * * * *

SEC. 313. CUSHION OF CREDIT PAYMENTS PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall develop and promote a program to encourage borrowers to voluntarily make deposits into cushion of credit accounts established within the Rural Electrification and Telephone Revolving Fund.

(2) INTEREST.—Amounts in each cushion of credit account shall accrue interest to the borrower at a rate of 5 percent per annum.

(3) BALANCE.—A borrower may reduce the balance of its cushion of credit account only if the amount obtained from the reduction is used to make scheduled payments on loans made or guaranteed under this Act.

(b) USES OF CUSHION OF CREDIT PAYMENTS.—

(1) IN GENERAL.—

(A) CASH BALANCE.—Cushion of credit payments shall be held in the Rural Electrification and Telephone Revolving Fund as a cash balance in the cushion of credit accounts of borrowers.

(B) INTEREST.—All cash balance amounts (obtained from cushion of credit payments, loan payments, and other sources) held by the Fund shall bear interest to the Fund at a rate equal to the weighted average rate on outstanding certificates of beneficial ownership issued by the Fund.

(C) CREDITS.—The amount of interest accrued on the cash balances shall be credited to the Fund as an offsetting reduction to the amount of interest paid by the Fund on its certificates of beneficial ownership.

(2) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—

[(A) MAINTENANCE OF ACCOUNT.—]The Secretary shall maintain a subaccount within the Rural Electrification and Telephone Revolving Fund to which shall be credited, on a monthly basis, a sum determined by multiplying the outstanding cushion of credit payments made after October 1, 1987, by the difference (converted to a monthly basis) be-

tween the average weighted interest rate paid on outstanding certificates of beneficial ownership issued by the Fund and the 5 percent rate of interest provided to borrowers on cushion of credit payments.

[(B) GRANTS.—The Secretary is authorized, from the interest differential sums credited this subaccount and from any other funds made available thereto, to provide grants or zero interest loans to borrowers under this Act for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects, and other reasonable expenses for the purpose of fostering rural development.]

[(C) REPAYMENTS.—In the case of zero interest loans, the Secretary shall establish such reasonable repayment terms as will ensure borrower participation.]

[(D) PROCEEDS.—All proceeds from the repayment of such loans shall be returned to the subaccount.]

[(E) NUMBER OF GRANTS.—Such loans and grants shall be made during each fiscal year to the full extent of the amounts held by the rural economic development subaccount, subject only to limitations as may be from time-to-time imposed by law.]

SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

[(a) IN GENERAL.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used to make loans for any electrification or telephone purpose eligible for assistance under this Act, including section 4 or 201 or to refinance bonds or notes issued for such purposes.]

(a) *GUARANTEES.*—

(1) *IN GENERAL.*—*Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis, if the proceeds of the bonds or notes are used to make utility infrastructure loans, or refinance bonds or notes issued for such purposes, to a borrower that has at any time received, or is eligible to receive, a loan under this Act.*

(2) *TERMS.*—*A bond or note guaranteed under this section shall—*

(A) have a term of 35 years; and

(B) by agreement between the Secretary and the borrower, be repaid by the borrower by—

(i) periodic installments of principal and interest;

(ii) periodic installments of interest and, at the end of the term of the bond or note, by the repayment of the outstanding principal; or

(iii) a combination of the methods for repayment provided under clauses (i) and (ii).

(b) *LIMITATIONS.*—

(1) *OUTSTANDING LOANS.*—*A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed*

bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender **【for eligible electrification or telephone purposes consistent with this Act】** *to borrowers described in subsection (a)*.

(2) GENERATION OF ELECTRICITY.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

(3) QUALIFICATIONS.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

(A) the lender does not have appropriate expertise or experience or is otherwise not qualified to make loans **【for electrification or telephone purposes】** *to borrowers under this Act*;

(B) the bond or note issued by the lender would not be investment grade quality without a guarantee; or

(C) the lender has not provided to the Secretary a list of loan amounts approved by the lender that the lender certifies are **【for eligible purposes described in subsection (a)】** *to borrowers described in subsection (a)*.

(4) ANNUAL AMOUNT.—The total amount of guarantees provided by the Secretary under this section during a fiscal year shall not exceed \$1,000,000,000, subject to the availability of funds under subsection (e).

(c) FEES.—

(1) IN GENERAL.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

(2) AMOUNT.—

(A) IN GENERAL.—The amount of the annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

(B) PROHIBITION.—Except as otherwise provided in this subsection and subsection (e)(2), no other fees shall be assessed.

(3) PAYMENT.—

(A) IN GENERAL.—A lender shall pay the fees required under this subsection on a semiannual basis.

(B) STRUCTURED SCHEDULE.—The Secretary shall, with the consent of the lender, structure the schedule for payment of the fee to ensure that sufficient funds are available to pay the subsidy costs for note or bond guarantees as provided for in subsection (e)(2).

(4) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—Subject to subsection (e)(2), fees collected under this subsection shall be—

(A) deposited into the rural economic development subaccount **【maintained under section 313(b)(2)(A)】** *that shall be maintained as required by sections 313(b)(2) and 313B(f)*, to remain available until expended; and

(B) used for the purposes described in section **【313(b)(2)(B)】** *313(b)(2)*.

(d) GUARANTEES.—

(1) IN GENERAL.—A guarantee issued under this section shall—

(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;
 (B) be fully assignable and transferable; and
 (C) represent the full faith and credit of the United States.

(2) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section to 5 per year.

(3) DEPARTMENT OPINION.—On the timely request of a lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(2) FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use up to $\frac{1}{3}$ of the fees collected under subsection (c) for the cost of providing guarantees of bonds and notes under this section before depositing the remainder of the fees into the rural economic development subaccount **[maintained under section 313(b)(2)(A)]** *required to be maintained by sections 313(b)(2) and 313B(f)*.

(f) TERMINATION.—The authority provided under this section shall terminate on September 30, **[2018]** 2023.

SEC. 313B. RURAL DEVELOPMENT LOANS AND GRANTS.

(a) *IN GENERAL.*—The Secretary shall provide grants or zero interest loans to borrowers under this Act for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects, and other reasonable expenses for the purpose of fostering rural development.

(b) *REPAYMENTS.*—In the case of zero interest loans, the Secretary shall establish such reasonable repayment terms as will encourage borrower participation.

(c) *PROCEEDS.*—All proceeds from the repayment of such loans made under this section shall be returned to the subaccount that the Secretary shall maintain in accordance with sections 313(b)(2) and 313B(f).

(d) *NUMBER OF GRANTS.*—Loans and grants required under this section shall be made during each fiscal year to the full extent of the amounts made available under subsection (e).

(e) *FUNDING.*—

(1) *DISCRETIONARY FUNDING.*—In addition to other funds that are available to carry out this section, there is authorized to be appropriated not more than \$10,000,000 for each of fiscal years 2019 through 2023 to carry out this section, to remain available until expended.

(2) *OTHER FUNDS.*—In addition to the funds described in paragraph (1), the Secretary shall use to provide grants and loans under this section—

(A) the interest differential sums credited to the subaccount described in subsection (c); and

(B) subject to section 313A(e)(2), the fees described in subsection (c)(4) of such section.

(f) MAINTENANCE OF ACCOUNT.—The Secretary shall maintain the subaccount described in section 313(b)(2), as in effect in fiscal year 2017, for purposes of carrying out this section.

SEC. 314. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

[(a) DEFINITION OF ADJUSTMENT PERCENTAGE.—As used in this section, the term “adjustment percentage” means, with respect to a fiscal year, the percentage (if any) by which—

[(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 1-year period ending on July 31 of the immediately preceding fiscal year; exceeds

[(2) the average of the Consumer Price Index (as so defined) for the 1-year period ending on July 31, 1993.

[(b) FISCAL YEARS 1994 THROUGH 1998.—In the case of each of fiscal years 1994 through 1998, there are authorized to be appropriated to the Secretary such sums as may be necessary for the cost of loans in the following amounts, for the following purposes:

[(1) ELECTRIC HARDSHIP LOANS.—For loans under section 305(c)(1)—

[(A) for fiscal year 1994, \$125,000,000; and

[(B) for each of fiscal years 1995 through 1998, \$125,000,000, increased by the adjustment percentage for the fiscal year.

[(2) ELECTRIC MUNICIPAL RATE LOANS.—For loans under section 305(c)(2)—

[(A) for fiscal year 1994, \$600,000,000; and

[(B) for each of fiscal years 1995 through 1998, \$600,000,000, increased by the adjustment percentage for the fiscal year.

[(3) TELEPHONE HARDSHIP LOANS.—For loans under section 305(d)(1)—

[(A) for fiscal year 1994, \$125,000,000; and

[(B) for each of fiscal years 1995 through 1998, \$125,000,000, increased by the adjustment percentage for the fiscal year.

[(4) TELEPHONE COST-OF-MONEY LOANS.—For loans under section 305(d)(2)—

[(A) for fiscal year 1994, \$198,000,000; and

[(B) for each of fiscal years 1995 through 1998, \$198,000,000, increased by the adjustment percentage for the fiscal year.

[(c) FUNDING LEVELS.—The Secretary shall make insured loans under this title for the purposes, in the amounts, and for the periods of time specified in subsection (b), as provided in advance in appropriations Acts.

[(d) AVAILABILITY OF FUNDS FOR INSURED LOANS.—Amounts made available for loans under section 305 are authorized to remain available until expended.]

SEC. 315. EXPANSION OF 911 ACCESS.

(a) IN GENERAL.—Subject to subsection (c) and such terms and conditions as the Secretary may prescribe, the Secretary may make loans under this title to entities eligible to borrow from the Rural

Utilities Service, State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand or improve in rural areas—

- (1) 911 access;
- (2) integrated interoperable emergency communications, including multiuse networks that provide commercial or transportation information services in addition to emergency communications services;
- (3) homeland security communications;
- (4) transportation safety communications; or
- (5) location technologies used outside an urbanized area.

(b) LOAN SECURITY.—Government-imposed fees related to emergency communications (including State or local 911 fees) may be considered to be security for a loan under this section.

(c) EMERGENCY COMMUNICATIONS EQUIPMENT PROVIDERS.—The Secretary may make a loan under this section to an emergency communication equipment provider to expand or improve 911 access or other communications or technologies described in subsection (a) if the local government that has jurisdiction over the project is not allowed to acquire the debt resulting from the loan.

(d) AUTHORIZATION OF APPROPRIATIONS.—The Secretary shall use to make loans under this section any funds otherwise made available for telephone loans for each of fiscal years 2008 through **[2018]** 2023.

* * * * *

[TITLE IV

[SEC. 401. ESTABLISHMENT, GENERAL PURPOSES, AND STATUS OF THE TELEPHONE BANK.—(a) There is hereby established a body corporate to be known as the Rural Telephone Bank (hereinafter called the telephone bank).

[(b) The general purposes of the telephone bank shall be to obtain an adequate supply of supplemental funds to the extent feasible from non-Federal sources, to utilize said funds in the making of loans under section 408 of this title, and to conduct its operations to the extent practicable on a self-sustaining basis.

[(c) The telephone bank shall be deemed to be an instrumentality of the United States, and shall, for the purposes of jurisdiction and venue, be deemed a citizen and resident of the District of Columbia. The telephone bank is authorized to make payments to State, territorial, and local governments in lieu of property taxes upon real property and tangible personal property which was subject to State, territorial, and local taxation before acquisition by the telephone bank. Such payment may be in the amounts, at the times, and upon such terms as the telephone bank deems appropriate but the telephone bank shall be guided by the policy of making payments not in excess of the taxes which would have been payable upon such property in the condition in which it was acquired.

[SEC. 402. GENERAL POWERS.— To carry out the specific powers herein authorized, the telephone bank shall have power to (a) adopt, alter, and use a corporate seal; (b) sue and be sued in its corporate name; (c) make contracts, leases, and cooperative agree-

ments, or enter into other transactions as may be necessary in the conduct of its business, and on such terms as it may deem appropriate; (d) acquire, in any lawful manner, hold, maintain, use, and dispose of property: *Provided*, That the telephone bank may only acquire property needed in the conduct of its banking operations or pledged or mortgaged to secure loans made hereunder or in temporary operation or maintenance thereof: *Provided further*, That any such pledged or mortgaged property so acquired shall be disposed of as promptly as is consistent with prudent liquidation practices, but in no event later than five years after such acquisition; (e) accept gifts or donations of services or of property in aid of any of the purposes herein authorized; (f) appoint such officers, attorneys, agents, and employees, vest them with such powers and duties, fix and pay such compensation to them for their services as the telephone bank may determine; (g) determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid; (h) execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; (i) collect or compromise all obligations assigned to or held by it and all legal or equitable rights accruing to it in connection with the payment of such obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and (j) exercise all such other powers as shall be necessary or incidental to carrying out its functions under this title.

[SEC. 403. SPECIAL PROVISIONS GOVERNING TELEPHONE BANK AS AN AGENCY OF THE UNITED STATES UNTIL CONVERSION OF OWNERSHIP, CONTROL, AND OPERATION.— Until the ownership, control, and operation of the telephone bank is converted as provided in section 410(a) of this title and not thereafter—

[(a) the telephone bank shall be an agency of the United States and shall be subject to the supervision and direction of the Secretary of Agriculture (hereinafter called the Secretary): *Provided, however*, That the telephone bank shall at no time be entitled to transmission of its mail free of postage, nor shall it have the priority of the United States in the payment of debts out of bankrupt, insolvent, and decedents' estates;

[(b) in order to perform its responsibilities under this title, the telephone bank may partially or jointly utilize the facilities and the services of employees of the Secretary, without cost to the telephone bank;

[(c) the telephone bank shall be subject to the provisions of the Government Corporation Control Act, as amended (31 U.S.C. 841, et seq.), in the same manner and to the same extent as if it were included in the definition of "wholly owned Government corporation" as set forth in section 101 of said Act (31 U.S.C. 486);

[(d) the telephone bank may without regard to the civil service classification laws appoint and fix the compensation of such officers and employees of the telephone bank as it may deem necessary;

[(e) the telephone bank shall be subject to the provisions of sections 517, 519, and 2679 of title 28, United States Code.

[SEC. 404. GOVERNOR.— Subject to the provisions of section 410, the Secretary shall designate an official of the Department of Agri-

culture who shall serve as the chief executive officer of the telephone bank (herein called the Governor of the telephone bank). Except as to matters specifically reserved to the Telephone Bank Board in this title, the Governor of the telephone bank shall exercise and perform all functions, powers, and duties of the telephone bank.

[SEC. 405. BOARD OF DIRECTORS.

[(a) IN GENERAL.—The management of the telephone bank, within the limitations prescribed by law, shall be vested in a board of directors (in this title referred to as the “Telephone Bank Board”).

[(b) MEMBERSHIP.—The Telephone Bank Board shall consist of thirteen individuals, as follows:

[(1) PRESIDENTIAL APPOINTEES.—The President shall appoint seven individuals to serve on the Telephone Bank Board who shall serve at the pleasure of the President—

[(A) five of whom shall be officers or employees of the Department of Agriculture and not officers or employees of the Secretary; and

[(B) two of whom shall be from the general public and not officers or employees of the Federal Government.

[(2) COOPERATIVE MEMBERS.—The cooperative-type entities, and organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

[(3) COMMERCIAL MEMBERS.—The commercial-type entities, and the organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

[(c) ELECTIONS.—

[(1) VALIDITY.—An election under paragraph (2) or (3) of subsection (b) shall not be considered valid unless a majority of the stockholders eligible to vote in the election have voted in the election.

[(2) BALLOTING.—Balloting in an election under paragraph (2) or (3) of subsection (b) shall be conducted by mail pursuant to the procedures authorized in the bylaws of the telephone bank.

[(3) NO CUMULATIVE VOTING.—Cumulative voting shall not be permitted in any election under paragraph (2) or (3) of subsection (b).

[(d) COMPENSATION.—

[(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Telephone Bank Board shall receive \$100 per day for each day or part thereof, not to exceed fifty days per year, spent in the performance of their official duties, and shall be reimbursed for travel and other expenses in such manner and subject to such limitations as the Telephone Bank Board may prescribe.

[(2) EXCEPTIONS.—The five members of the Telephone Bank Board appointed under subsection (b)(1)(A) shall not receive compensation by reason of their service on the Telephone Bank Board.

[(e) SUCCESSION.—A member of the Telephone Bank Board may serve after the expiration of the term of office of such member until the successor for such member has taken office.

[(f) CHAIRPERSON.—The members of the Telephone Bank Board shall elect one of such members to be the Chairperson of the Board, in accordance with the bylaws of the telephone bank. The Chairperson shall preside at all meetings of the Board and may vote on a matter before the Board unless the vote would result in a tie vote on the matter.

[(g) BYLAWS.—The Telephone Bank Board shall prescribe bylaws, not inconsistent with law, regulating the manner in which the telephone bank's business shall be conducted, its directors and officers elected, its stock issued, held, and disposed of, its property transferred, its bylaws amended, and the powers and privileges granted to it by law exercised and enjoyed.

[(h) MEETINGS.—The Telephone Bank Board shall meet at such times and places as it may fix and determine, but shall hold at least four regularly scheduled meetings a year, and special meetings may be held on call in the manner specified in the bylaws of the telephone bank.

[(i) ANNUAL REPORT.—The Telephone Bank Board shall make an annual report to the Secretary for transmittal to the Congress on the administration of this title IV and any other matters relating to the effectuation of the policies of title IV, including recommendations for legislation.

[(j) OPEN MEETINGS.—For purposes of section 552b of title 5, United States Code, the Telephone Bank Board shall be treated as an agency within the meaning of subsection (a)(1) of such section.

[SEC. 406. CAPITALIZATION.—(a) The telephone bank's capital shall consist of capital subscribed by the United States, by borrowers from the telephone bank, by corporations and public bodies eligible to become borrowers from the telephone bank, and by organizations controlled by such borrowers, corporations, and public bodies. Beginning with the fiscal year 1971 and for each fiscal year thereafter but not later than fiscal year 1991, the United States shall furnish capital for the purchase of class A stock and there are hereby authorized to be appropriated such amounts, not to exceed \$30,000,000 annually, for such purchases until such class A stock shall equal \$600,000,000: *Provided*, That on or before July 1, 1975, the Secretary shall make a report to the President for transmittal to the Congress on the status of capitalization of the telephone bank by the United States with appropriate recommendations. As used in this section and section 301, the term "net collection proceeds" shall be deemed to mean payments from and after July 1, 1969, of principal and interest on loans heretofore or hereafter made under section 201 of this Act, less an amount representing interest payable to the Secretary of the Treasury on loans to the Secretary for telephone purposes.

[(b) The capital stock of the telephone bank shall consist of three classes, class A, class B, and class C, the rights, powers, privileges, and preferences of the separate classes to be as specified, not inconsistent with law, in the bylaws of the telephone bank. Class B and class C stock shall be voting stock, but no holder of said stock shall be entitled to more than one vote, nor shall class B and class C stockholders, regardless of their number, which are owned or con-

trolled by the same person, group of persons, firm, association, or corporation, be entitled in any event to more than one vote.

[(c) Class A stock shall be issued only to the Secretary on behalf of the United States in exchange for capital furnished to the telephone bank pursuant to subsection (a), and such class A stock shall be redeemed and retired by the telephone bank as soon as practicable after September 30, 1995, but not to the extent that the Telephone Bank Board determines that such retirement will impair the operations of the telephone bank: *Provided*, That the minimum amount of class A stock that shall be retired each year after said date shall equal the amount of class B stock sold by the telephone bank during such year. Class A stock shall be entitled to a return, payable from income, at the rate of 2 per centum per annum on the amounts of said class A stock actually paid into the telephone bank. Such return shall be cumulative and shall be payable annually into miscellaneous receipts of the Treasury.

[(d) Class B stock shall be held only by recipients of loans under section 408 of this Act. Borrowers receiving loan funds pursuant to section 408(a)(1) or (2) shall be required to invest in class B stock 5 per centum of the amount of loan funds so provided, by paying an amount equal to 5 per centum of the amount of each loan advance, at the time of such advance. No dividends shall be payable on class B stock. All holders of class B stock shall be entitled to patronage refunds in class B stock under terms and conditions to be specified in the bylaws of the telephone bank.

[(e) Class C stock shall be available for purchase and shall be held only by borrowers, or by corporations and public bodies eligible to borrow under section 408 of this Act, or by organizations controlled by such borrowers, corporations and public bodies, and shall be entitled to dividends in the manner specified in the bylaws of the telephone bank. Such dividends shall be payable only from income and, until all class A stock is retired, shall not exceed the current average rate payable on its telephone debentures.

[(f) If a firm, association, corporation, or public body is not authorized under the laws of the jurisdiction in which it is organized to acquire stock of the telephone bank, the telephone bank shall, in lieu thereof, permit such organization to pay into a special fund of the telephone bank a sum equivalent to the amount of stock to be purchased. Each reference in this title to capital stock, or to class B, or class C stock, shall include also the special fund equivalents of such stock, and to the extent permitted under the laws of the jurisdiction in which such organization is organized, a holder of special fund equivalents of class B, or class C stock, shall have the same rights and status as a holder of class B or class C stock, respectively. The rights and obligations of the telephone bank in respect of such special fund equivalent shall be identical to its rights and obligations in respect of class B or class C stock, respectively.

[(g) After payment of all operating expenses of the telephone bank, including interest on its telephone debentures, setting aside appropriate funds for the reserve for loan losses, and making payments in lieu of taxes, and returns on class A stock as provided in section 406(c), and on class C stock, the Telephone Bank Board shall annually set aside the remaining earnings of the telephone bank for patronage refunds in accordance with the bylaws of the telephone bank. The telephone bank may not establish any reserve

other than the reserves referred to in this subsection and in subsection (h).

[(h) There is hereby established in the telephone bank a reserve for losses due to interest rate fluctuations. Within 30 days after the date of the enactment of this subsection, the Governor of the telephone bank shall transfer to the reserve for losses due to interest rate fluctuations all amounts in the reserve for contingencies as of the date of the enactment of this subsection. All amounts so transferred shall not be transferred, directly or indirectly, to the reserve for contingencies. Amounts in the reserve for interest rate fluctuations may be expended only to cover operating losses of the telephone bank (other than losses attributable to loan defaults) and only after taking into consideration any recommendations made by the General Accounting Office under section 1413(b) of the Omnibus Budget Reconciliation Act of 1987.

[(i) The Governor of the telephone bank may invest in obligations of the United States the amounts in the account in the Treasury of the United States numbered 12X8139 (known as the "RTB Equity Fund").

[SEC. 407. BORROWING POWER.—(a) The telephone bank is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness (herein collectively called telephone debentures). Telephone debentures shall be issued at such times, bear interest at such rates, and contain such other terms and conditions as the Telephone Bank Board shall determine: *Provided, however,* That the amount of the telephone debentures which may be outstanding at any one time pursuant to this section shall not exceed twenty times the paid-in capital and retained earnings of the telephone bank. Telephone debentures shall not be exempt, either as to principal or interest, from any taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State or local taxing authority. Telephone debentures shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

[(b) The Telephone Bank is also authorized to issue telephone debentures to the Secretary of the Treasury, and the Secretary of the Treasury may in his discretion purchase any such debentures, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act as now or hereafter in force are extended to include such purchases. Each purchase of telephone debentures by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the telephone debentures acquired by him under this subsection. All purchases and sales by the Sec-

retary of the Treasury of such debentures under this subsection shall be treated as public debt transactions of the United States.

[(c) Purchases and resales by the Secretary of the Treasury as authorized in subsection (b) of this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

[SEC. 408. LENDING POWER.—(a) The Governor of the telephone bank shall make loans on behalf of the telephone bank, to the extent that there are qualifying applications therefor, subject only to limitations as to amounts authorized for loans and advances as may be imposed by law enacted by the Congress of the United States for loans to be made in any one year, and in conformance with policies approved by the Telephone Bank Board, to corporations and public bodies which have received a loan or loan commitment pursuant to section 201 of this Act, or which have been certified by the Secretary to be eligible for such a loan or loan commitment, (1) for the same purposes and under the same limitations for which loans may be made under section 201 of this Act, (2) for the acquisition, purchase, and installation of telephone lines, systems, and facilities (other than buildings used primarily for administrative purposes, vehicles not used primarily in construction, and customer premise equipment) related to the furnishing, improvement, or extension of rural telecommunications service, and (3) of the purchase of class B stock required to be purchased under section 406(d) of this Act but not for the purchase of class C stock, subject, as to the purposes set forth in (2) hereof, to the following provisions: That in the case of any such loan for the acquisition of telephone lines, facilities, or systems, the acquisition shall be approved by the Secretary, the location and character thereof shall be such as to improve the efficiency, effectiveness, or financial stability of the telephone system of the borrower, and in respect of exchange facilities for local services, the size of each acquisition shall not be greater than the borrower's existing system at the time it receives its first loan from the telephone bank, taking into account the number of subscribers served, miles or line, and plant investment. Loans and advances made under this section shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

[(b) Loans under this section shall be on such terms and conditions as the Governor of the telephone bank shall determine, subject, however, to the following restrictions:

[(1) All loans made under this section shall be fully amortized over a period not to exceed fifty years.

[(2) Funds to be loaned under this Act to any borrower shall be loaned under this section in preference to section 201 if the borrower is eligible for such a loan and funds are available therefor. Notwithstanding the foregoing or any other provision of law, all loans made pursuant to this Act for facilities for telephone systems with an average subscriber density of three or fewer per mile shall be made under section 201 of this Act; but this provision shall not preclude the making of such loans from the telephone bank at the election of the borrower.

[(3)(A) Loans under this section shall bear interest at the “cost of money rate”. The cost of money rate is defined as the average cost of moneys to the telephone bank as determined by the Governor, but not less than 5 per centum per annum.

[(B) On and after the date of the enactment of this subparagraph, advances made on or after such date of enactment under loan commitments made on or after October 1, 1987, shall bear interest at the rate determined under subparagraph (C), but in no event at a rate that is less than 5 percent per annum.

[(C) The rate determined under this subparagraph shall be—

[(i) for the period beginning on the date the advance is made and ending at the close of the fiscal year in which the advance is made, the average yield (on the date of the advance) on outstanding marketable obligations of the United States having a final maturity comparable to the final maturity of the advance; and

[(ii) after the fiscal year in which the advance is made, the cost of money rate for such fiscal year, as determined under subparagraph (D).

[(D) Within 30 days after the end of each fiscal year, the Governor shall determine to the nearest 0.01 percent the cost of money rate for the fiscal year, by calculating the sum of the results of the following calculations:

[(i) The aggregate of all amounts received by the telephone bank during the fiscal year from the issuance of class A stock, multiplied by the rate of return payable by the telephone bank during the fiscal year, as specified in section 406(c), to holders of class A stock, which product is divided by the aggregate of the amounts advanced by the telephone bank during the fiscal year.

[(ii) The aggregate of all amounts received by the telephone bank during the fiscal year from the issuance of class B stock, multiplied by the rate at which dividends are payable by the telephone bank during the fiscal year, as specified in section 406(d), to holders of class B stock, which product is divided by the aggregate of the amounts advanced by the telephone bank during the fiscal year. For purposes of the calculation under this subparagraph, such rate shall be zero.

[(iii) The aggregate of all amounts received by the telephone bank during the fiscal year from the issuance of class C stock, multiplied by the rate at which dividends are payable by the telephone bank during the fiscal year, under section 406(e), to holders of class C stock, which product is divided by the aggregate of the amounts advanced by the telephone bank during the fiscal year.

[(iv)(I) The sum of the results of the calculations described in subclause (II).

[(II) The amounts received by the telephone bank during the fiscal year from each issue of telephone debentures and other obligations of the telephone bank, multiplied, respectively, by the rates at which interest is payable during the fiscal year by the telephone bank to holders of each issue,

each of which products is divided, respectively, by the aggregate of the amounts advanced by the telephone bank during the fiscal year.

[(v)(I) The amount by which the aggregate of the amounts advanced by the telephone bank during the fiscal year exceeds the aggregate of the amounts received by the telephone bank from the issuance of class A stock, class B stock, class C stock, and telephone debentures and other obligations of the telephone bank during the fiscal year, multiplied by the historic cost of money rate as of the close of the fiscal year immediately preceding the fiscal year, which product is divided by the aggregate of the amounts advanced by the telephone bank during the fiscal year.

[(II) For purposes of this clause, the term “historic cost of money rate”, with respect to the close of a preceding fiscal year, means the sum of the results of the following calculations: The amounts advanced by the telephone bank in each fiscal year during the period beginning with fiscal year 1974 and ending with the preceding fiscal year, multiplied, respectively, by the cost of money rate for the fiscal year (as set forth in the table in subparagraph (E)) for fiscal years 1974 through 1987, and as determined by the Governor under this subparagraph for fiscal years after fiscal year 1987), each of which products is divided, respectively, by the aggregate of the amounts advanced by the telephone bank during the period.

[(E) For purposes of subparagraph (D)(II), the cost of money rate for the fiscal years in which each advance was made shall be as set forth in the following table:

For advances made in—	The cost of money rate shall be—
Fiscal year 1974	5.01 percent
Fiscal year 1975	5.85 percent
Fiscal year 1976	5.33 percent
Fiscal year 1977	5.00 percent
Fiscal year 1978	5.87 percent
Fiscal year 1979	5.93 percent
Fiscal year 1980	8.10 percent
Fiscal year 1981	9.46 percent
Fiscal year 1982	8.39 percent
Fiscal year 1983	6.99 percent
Fiscal year 1984	6.55 percent
Fiscal year 1985	5.00 percent
Fiscal year 1986	5.00 percent
Fiscal year 1987	5.00 percent.

For purposes of this paragraph, the term “fiscal year” means the 12-month period ending on September 30 of the designated year.

[(F)(i) Notwithstanding subparagraph (B), if a borrower holds a commitment for a loan under this section made on or after October 1, 1987, and before the date of the enactment of this paragraph, part or all of the proceeds of which have not been advanced as of such date of enactment, the borrower may, until the later of the date the next advance under the loan commitment is made or 90 days after such date of enactment, elect to have the interest rate specified in the loan commitment apply to the unadvanced portion of the loan in lieu of the rate

which (but for this clause) would apply to the unadvanced portion under this paragraph. If any borrower makes an election under this clause with respect to a loan, the Governor shall adjust the interest rate which applies to the unadvanced portion of the loan accordingly.

[(ii)(I) If the telephone bank, pursuant to section 407(b), issues telephone debentures on any date to refinance telephone debentures or other obligations of the telephone bank, the telephone bank shall, in addition to any interest rate reduction required by any other provision of this paragraph, for the period applicable to the advance, reduce the interest rate charged on each advance made under this section during the fiscal year in which the refinanced debentures or other obligations were originally issued by the amount applicable to the advance.

[(II) For purposes of subclause (I), the term “the period applicable to the advance” means the period beginning on the issue date described in subclause (I) and ending on the earlier of the date the advance matures or is completely prepaid.

[(III) For purposes of subclause (I), the term “the amount applicable to the advance” means an amount which fully reflects that percentage of the funds saved by the telephone bank as a result of the refinancing which is equal to the percentage representation of the advance in all advances described in subclause (I).

[(IV) Within 60 days after any issue date described in subclause (I), the Governor shall amend the loan documentation for each advance described in subclause (I), as necessary, to reflect any interest rate reduction applicable to the advance by reason of this clause, and shall notify each affected borrower of the reduction.

[(G) Within 30 days after the publication of any determination made under subparagraph (D), any affected borrower may obtain review of the determination, or any other equitable relief as may be determined appropriate, by the United States court of appeals for the judicial circuit in which the borrower does business by filing a written petition requesting the court to set aside or modify such determination. On receipt of such a petition, the clerk of the court shall transmit a copy of the petition to the Governor. On receipt of a copy of such a petition from the clerk of the court, the Governor shall file with the court the record on which the determination is based. The court shall have jurisdiction to affirm, set aside, or modify the determination.

[(H) Within 5 days after determining the cost of money rate for a fiscal year, the Governor shall—

[(i) cause the determination to be published in the Federal Register in accordance with section 552 of title 5, United States Code; and

[(ii) furnish a copy of the determination to the Comptroller General of the United States.

[(I) The telephone bank shall not sell or otherwise dispose of any loan made under this section, except as provided in this paragraph.

[(4) The Governor of the telephone bank may make a loan under this section only to an applicant for the loan who meets the following requirements:

[(A) The average number of subscribers per mile of line in the service area of the applicant is not more than 15, or the applicant is capable of producing net income or margins before interest of not less than 100 percent (but not more than 500 percent) of the interest requirements on all of the outstanding and proposed loans of the applicant.

[(B) The Secretary has approved, under section 305(d)(3), a telecommunications modernization plan for the State in which the applicant is located and, if the plan was developed by telephone borrowers under title III, the applicant is a participant in the plan.

[(5) No loan shall be made in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless such certificate from such agency is first obtained. In a State in which there is no such agency or regulatory body legally authorized to issue such certificates to the applicant, no loan shall be made under this section unless the Governor of the telephone bank shall determine (and set forth his reasons therefor in writing) that no duplication of lines, facilities, or systems, providing reasonably adequate services will result therefrom.

[(6) As used in this section, the term telephone service shall have the meaning prescribed for this term in section 203(a) of this Act, and the term telephone lines, facilities, or systems shall mean lines, facilities, or systems used in the rendition of such telephone service.

[(7) No borrower of funds under section 408 of this Act shall, without approval of the Governor of the telephone bank under rules established by the Telephone Bank Board, sell or dispose of its property, rights, or franchises, acquired under the provisions of this Act, until any loan obtained from the telephone bank, including all interest and charges, shall have been repaid.

[(8)(A) A borrower with a loan from the Rural Telephone Bank may prepay such loan (or any part thereof) by paying the face amount thereof without being required to pay the prepayment penalty set forth in the note covering such loan, except for any prepayment penalty provided for in a loan agreement entered into before the date of enactment of the Rural Electrification Loan Restructuring Act of 1993.

[(B) If a borrower prepays part or all of a loan made under this section, then, notwithstanding section 407(b), the Governor of the telephone bank shall—

[(i) use the full amount of the prepayment to repay obligations of the telephone bank issued pursuant to section 407(b) before October 1, 1991, to the extent any such obligations are outstanding; and

[(ii) in repaying the obligations, first repay the advances bearing the greatest rate of interest.

[(9) On request of any applicant for a loan under this section during any fiscal year, the Governor of the telephone bank shall—

[(A) consider the application to be for a loan under this section and a loan under section 305(d)(2); and

[(B) if the applicant is eligible for a loan, make a loan to the applicant under this section in an amount equal to the amount that bears the same ratio to the total amount of loans for which the applicant is eligible under this section and under section 305(d)(2), as the amount made available for loans under this section for the fiscal year bears to the total amount made available for loans under this section and under section 305(d)(2) for the fiscal year.

[(10) On request of any applicant who is eligible for a loan under this section for which funds are not available, the applicant shall be considered to have applied for a loan under section 305(d)(2).

[(c) The Governor of the telephone bank is authorized under rules established by the Telephone Bank Board to adjust, on an amortized basis, the schedule of payments of interest or principal of loans made under this section upon his determination that with such readjustment there is reasonable assurance of repayment: *Provided, however,* That no adjustment shall extend the period of such loans beyond fifty years.

[(d)(1) Except as provided in paragraph (2), the term of any loan made under this title shall be determined by the borrower at the time the application for the loan is submitted.

[(2) The term of any loan made under this title shall not exceed the maximum term for which a loan may be made under section 4.

[(e) Loans and advances made under this section on or after November 5, 1990, shall bear interest at a rate determined under this section, taking into account all assets and liabilities of the telephone bank. This subsection shall not apply to loans obligated before the date of enactment of this subsection. Funds are not authorized to be appropriated to carry out this subsection until the funds are appropriated in advance to carry out this subsection.

[SEC. 409. TELEPHONE BANK RECEIPTS.— Any receipts from the activities of the telephone bank shall be available for all obligations and expenditures of the telephone bank.

[SEC. 410. CONVERSION OF OWNERSHIP, CONTROL AND OPERATION OF TELEPHONE BANK.—(a) Whenever fifth-one per centum of the maximum amount of class A stock issued to the United States and outstanding at any time after September 30, 1985, has been fully redeemed and retired pursuant to section 406(c) of this title—

[(1) the powers and authority of the Governor of the telephone bank granted to the Secretary by this title IV shall vest in the Telephone Bank Board, and may be exercised and performed through the Governor of the telephone bank, to be selected by the Telephone Bank Board, and through such other employees as the Telephone Bank Board shall designate;

[(2) the five members of the Telephone Bank Board designated by the President pursuant to section 405(b)(1)(A) shall cease to be members, and the number of Board members shall

be accordingly reduced to eight unless other provision is thereafter made in the bylaws of the telephone bank;

[(3) the telephone bank shall cease to be an agency of the United States, but shall continue in existence in perpetuity as an instrumentality of the United States and as a banking corporation with all of the powers and limitations conferred or imposed by this title IV except such as shall have lapsed pursuant to the provisions of this title.

[(b) When all class A stock has been fully redeemed and retired, loans made by the telephone bank shall not continue to be subject to the restrictions prescribed in the provisions of section 408(a)(2).

[(c) Congress reserves the right to review the continued operations of the telephone bank after all class A stock has been fully redeemed and retired.

[SEC. 411. LIQUIDATION OR DISSOLUTION OF THE TELEPHONE BANK.— In the case of liquidation or dissolution of the telephone bank, after the payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par; fourth, of all class C stock par; then any surpluses and contingency reserves existing on the effective date of liquidation or dissolution of the telephone bank shall be paid to the holders to of class A and class B stock issued and outstanding before the effective date of such liquidation or dissolution, pro rata.

[SEC. 412. BORROWER NET WORTH.— Except as provided in subsection (b)(2) of section 408, notwithstanding any other provision of law, a loan shall not be made under section 201 of this Act to any borrower which during the immediately preceding year had a net worth in excess of 20 per centum of its assets unless the Secretary finds that the borrower cannot obtain such a loan from the telephone bank or from other reliable sources at reasonable rates of interest and terms and conditions.]

* * * * *

TITLE VI—RURAL BROADBAND ACCESS

SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) PURPOSE.—The purpose of this section is to provide loans and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service or *middle mile infrastructure* in rural areas.

(b) DEFINITIONS.—In this section:

(1) BROADBAND SERVICE.—The term “broadband service” means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

(2) MIDDLE MILE INFRASTRUCTURE.—The term “middle mile infrastructure” means any broadband infrastructure that does not connect directly to end user locations (including anchor institutions) and may include interoffice transport, backhaul, Internet connectivity, data centers, or special access transport to rural areas.

[(2)] (3) INCUMBENT SERVICE PROVIDER.—The term “incumbent service provider”, with respect to an application submitted under this section, means an entity that, as of the date of submission of the application, is providing broadband service to not less than 5 percent of the households in the service territory proposed in the application.

[(3)] (4) RURAL AREA.—

(A) **IN GENERAL.**—The term “rural area” means any area other than—

(i) an area described in clause (i) or (ii) of section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)); and

(ii) *in the case of a direct loan*, a city, town, or incorporated area that has a population of greater than 20,000 inhabitants.

(B) **URBAN AREA GROWTH.**—The Secretary may, by regulation only, consider an area described in section 343(a)(13)(F)(i)(I) of that Act to not be a rural area for purposes of this section.

(c) **LOANS AND LOAN GUARANTEES.**—

(1) **IN GENERAL.**—The Secretary **[shall make or guarantee loans]** *shall make loans and shall guarantee loans* to eligible entities described in subsection (d) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service *and to construct, improve, or acquire middle mile infrastructure* in rural areas.

(2) **PRIORITY.**—In making loans or loan guarantees under paragraph (1), the Secretary shall—

(A) establish **[not less than 2 evaluation periods]** *1 evaluation period* for each fiscal year to compare loan and loan guarantee applications and to prioritize loans and loan guarantees to all or part of rural communities that do not have residential broadband service that meets the minimum acceptable level of broadband service established under subsection (e);

(B) give the highest priority to applicants that offer to provide broadband service to, *or in the case of middle mile infrastructure, offer the future ability to link*, the greatest proportion of unserved households or households that do not have residential broadband service that meets the minimum acceptable level of broadband service established under subsection (e), as—

(i) certified by the affected community, city, county, or designee; or

(ii) demonstrated on—

(I) the broadband map of the affected State if the map contains address-level data; or

(II) the National Broadband Map if address-level data is unavailable; and

(C) provide equal consideration to all qualified applicants, including applicants that have not previously received loans or loan guarantees under paragraph (1)**;** and**].**

[(D)] give priority to applicants that offer in the applications of the applicants to provide broadband service not

predominantly for business service, if at least 25 percent of the customers in the proposed service territory are commercial interests.】

(3) *LIMITATION ON MIDDLE MILE INFRASTRUCTURE PROJECTS.*—*The Secretary shall limit loans or loan guarantees for middle mile infrastructure projects to no more than 20 percent of the amounts made available to carry out this section.*

(4) *FEES.*—*In the case of a loan guarantee issued or modified under this section, the Secretary shall charge and collect from the recipient of the guarantee fees in such amounts as are necessary so that the sum of the total amount of fees so charged in each fiscal year and the total of the amounts appropriated for all such loan guarantees for the fiscal year equals the subsidy cost for the loan guarantees in the fiscal year.*

(d) *ELIGIBILITY.*—

(1) *ELIGIBLE ENTITIES.*—

(A) *IN GENERAL.*—*To be eligible to obtain a loan or loan guarantee under this section, an entity shall—*

【(i) demonstrate the ability to furnish, improve in order to meet the minimum acceptable level of broadband service established under subsection (e), or extend broadband service to all or part of an unserved rural area or an area below the minimum acceptable level of broadband service established under subsection (e);】

(i) demonstrate the ability to furnish or improve service in order to meet the broadband service standards established under subsection (e)(1) or extend middle mile infrastructure in all or part of an unserved or underserved rural area;

(ii) submit to the Secretary a loan application at such time, in such manner, and containing such information as the Secretary may require; and

(iii) agree to complete buildout of the broadband 【service】 *infrastructure or middle mile infrastructure* described in the loan application by not later than 【3】 5 years after the initial date on which proceeds from the loan made or guaranteed under this section are made available.

(B) *LIMITATION.*—*An eligible entity that provides telecommunications or broadband service to at least 20 percent of the households in the United States may not receive an amount of funds under this section for a fiscal year in excess of 15 percent of the funds authorized and appropriated under subsection (k) for the fiscal year.*

(2) *ELIGIBLE PROJECTS.*—

(A) *IN GENERAL.*—*Except as provided in subparagraphs (B) and (C), the proceeds of a loan made or guaranteed under this section may be used to carry out a project in a proposed service territory only if, as of the date on which the application for the loan or loan guarantee is submitted—*

(i) not less than 15 percent of the households in the proposed service territory are unserved or have service levels below the minimum acceptable level of

broadband service established under subsection (e); and

(ii) broadband service is not provided in any part of the proposed service territory by 3 or more incumbent service providers.

(B) EXCEPTION TO PERCENT REQUIREMENT.—Subparagraph (A)(i) shall not apply to the proposed service territory of a project if a loan or loan guarantee has been made under this section to the applicant to provide broadband service or *install middle mile infrastructure* in the proposed service territory.

(C) EXCEPTION TO INCUMBENT SERVICE PROVIDER REQUIREMENT.—

(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A)(ii) shall not apply to an incumbent service provider in the portion of a proposed service territory in which the provider is upgrading broadband service to meet the minimum acceptable level of broadband service established under subsection (e) for the existing territory of the incumbent service provider.

[(ii) EXCEPTION.—Clause (i) shall not apply if the applicant is eligible for funding under another title of this Act.]

(ii) EXCEPTION.—*Clause (i) shall not apply with respect to a project if the project is eligible for funding under another title of this Act.*

(D) EXCEPTION FOR MIDDLE MILE INFRASTRUCTURE.—*Portions of a middle mile infrastructure project that ultimately meet the rural service requirements of this section may traverse an area not described in subsection (b)(4) when necessary.*

(3) EQUITY AND MARKET SURVEY REQUIREMENTS.—

(A) IN GENERAL.—The Secretary may require an entity to provide a cost share in an amount not to exceed 10 percent of the amount of the loan or loan guarantee requested in the application of the entity, unless the Secretary determines that a higher percentage is required for financial feasibility.

(B) MARKET SURVEY.—

(i) IN GENERAL.—The Secretary may require an entity that proposes to have a subscriber projection of more than 20 percent of the broadband service market in a rural area to submit to the Secretary a market survey.

(ii) LESS THAN 20 PERCENT.—The Secretary may not require an entity that proposes to have a subscriber projection of less than 20 percent of the broadband service market in a rural area to submit to the Secretary a market survey.

(iii) INFORMATION.—Information submitted under this subparagraph shall be—

(I) certified by the affected community, city, county, or designee; or

(II) demonstrated on—

- (aa) the broadband map of the affected State if the map contains address-level data; or
- (bb) the National Broadband Map if address-level data is unavailable.

(4) STATE AND LOCAL GOVERNMENTS AND INDIAN TRIBES.—Subject to paragraph (1), a State or local government (including any agency, subdivision, or instrumentality thereof (including consortia thereof)) and an Indian tribe shall be eligible for a loan or loan guarantee under this section to provide broadband services to, *or construct, improve, or acquire middle mile infrastructure in*, a rural area.

(5) NOTICE REQUIREMENTS.—The Secretary shall promptly provide a fully searchable database on the website of the Rural Utilities Service that contains, at a minimum—

(A) notice of each application for a loan or loan guarantee under this section describing the application, including—

- (i) the identity of the applicant;
- (ii) a description of each application, including—
 - (I) each area proposed to be served by the applicant; and
 - (II) the amount and type of support requested by each applicant;
- (iii) the status of each application;
- (iv) the estimated number and proportion relative to the service territory of households without terrestrial-based broadband service in those areas; and
- (v) a list of the census block groups or proposed service territory, in a manner specified by the Secretary, that the applicant proposes to service *or, in the case of middle mile infrastructure, connect*;

(B) notice of each entity receiving assistance under this section, including—

- (i) the name of the entity;
- (ii) the type of assistance being received;
- (iii) the purpose for which the entity is receiving the assistance;
- (iv) each semiannual report submitted under paragraph (8)(A) (redacted to protect any proprietary information in the report); and

(C) such other information as is sufficient to allow the public to understand assistance provided under this section.

(6) PAPERWORK REDUCTION.—The Secretary shall take steps to reduce, to the maximum extent practicable, the cost and paperwork associated with applying for a loan or loan guarantee under this section by first-time applicants (particularly first-time applicants who are small and start-up broadband service providers), including by providing for a new application that maintains the ability of the Secretary to make an analysis of the risk associated with the loan involved.

(7) PREAPPLICATION PROCESS.—The Secretary shall establish a process under which a prospective applicant may seek a de-

termination of area eligibility prior to preparing a loan application under this section.

(8) REPORTING.—

(A) IN GENERAL.—The Secretary shall require any entity receiving assistance under this section to submit a semi-annual report for 3 years after completion of the project, in a format specified by the Secretary, that describes—

(i) the use by the entity of the assistance, including new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers (including the estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure); and

(ii) the progress towards fulfilling the objectives for which the assistance was granted, including—

(I) the number **and location** of residences and businesses that will *or may* receive new broadband service, existing network service improvements, and facility upgrades resulting from the Federal assistance;

(II) the speed of broadband service *or capability of middle mile infrastructure*;

(III) the average price of broadband service in a proposed service area, *if applicable*;

(IV) **any changes in broadband service adoption rates, including** new subscribers generated from demand-side projects; and

(V) any metrics the Secretary determines to be appropriate**;**.

(B) ADDITIONAL REPORTING.—The Secretary may require any additional reporting and information by any recipient of any assistance under this section so as to ensure compliance with this section.

(9) DEFAULT AND DEOBLIGATION.—In addition to other authority under applicable law, the Secretary shall establish written procedures for all broadband programs administered by the Rural Utilities Service under this or any other Act that, to the maximum extent practicable—

(A) recover funds from loan defaults;

(B) deobligate any awards, less allowable costs that demonstrate an insufficient level of performance (including metrics determined by the Secretary) or fraudulent spending, to the extent funds with respect to the award are available in the account relating to the program established by this section;

(C) award those funds, on a competitive basis, to new or existing applicants consistent with this section; and

(D) minimize overlap among the programs.

(10) SERVICE AREA ASSESSMENT.—The Secretary shall, with respect to an application for assistance under this section—

(A) provide not less than 15 days for broadband service providers to voluntarily submit information concerning the broadband services that the providers offer in the census block groups or tracts described in paragraph (5)(A)(v) so

that the Secretary may assess whether the applications submitted meet the eligibility requirements under this section; and

(B) if no broadband service provider submits information under subparagraph (A), consider the number of providers in the census block group or tract to be established by using—

(i) the most current National Broadband Map of the National Telecommunications and Information Administration; or

(ii) any other data regarding the availability of broadband service that the Secretary may collect or obtain through reasonable efforts.

(11) *AUTHORITY TO OBLIGATE, BUT NOT DISBURSE, FUNDS BEFORE COMPLETION OF REVIEWS; AUTHORITY TO DEOBLIGATE FUNDS.*—*The Secretary may obligate, but shall not disburse, funds under this section for a project before the completion of any otherwise required environmental, historical, or other review of the project. The Secretary may deobligate funds under this section for a project if any such review will not be completed within a reasonable period of time.*

(e) **BROADBAND SERVICE.**—

[(1) **IN GENERAL.**—Subject to paragraph (2), for purposes of this section, the minimum acceptable level of broadband service for a rural area shall be at least—

[(A) a 4-Mbps downstream transmission capacity; and

[(B) a 1-Mbps upstream transmission capacity.

[(2) **ADJUSTMENTS.**—

[(A) **IN GENERAL.**—At least once every 2 years, the Secretary shall review, and may adjust through notice published in the Federal Register, the minimum acceptable level of broadband service established under paragraph (1) to ensure that high quality, cost-effective broadband service is provided to rural areas over time.

[(B) **CONSIDERATIONS.**—In making an adjustment to the minimum acceptable level of broadband service under subparagraph (A), the Secretary may consider establishing different transmission rates for fixed broadband service and mobile broadband service.]

(1) *IN GENERAL.*—*Subject to paragraph (2), for purposes of this section, the Secretary shall establish broadband service standards for rural areas which provide for—*

(A) *a minimum acceptable standard of service that requires the speed to be at least 25 megabits per second downstream transmission capacity and 3 megabits per second upstream transmission capacity; and*

(B) *projections of minimum acceptable standards of service for 5, 10, 15, 20, and 30 years into the future.*

(2) **ADJUSTMENTS.**—

(A) **IN GENERAL.**—*At least once every 2 years, the Secretary shall review, and may adjust through notice published in the Federal Register, the broadband service standards in effect under paragraph (1) to encourage the delivery of high quality, cost-effective broadband service in rural areas.*

(B) *CONSIDERATIONS.*—*In establishing and adjusting the broadband service standards in effect under paragraph (1), the Secretary shall consider—*

- (i) the broadband service needs of rural families and businesses;*
- (ii) broadband service available to urban and suburban areas;*
- (iii) future technology needs of rural residents;*
- (iv) advances in broadband technology; and*
- (v) other relevant factors as determined by the Secretary.*

(3) *PROHIBITION.*—*The Secretary shall not establish requirements for bandwidth or speed that have the effect of precluding the use of evolving technologies appropriate for rural areas.*

(4) *AGREEMENT.*—*The Secretary shall not provide a loan or loan guarantee under this section for a project unless the Secretary determines, at the time the agreement to provide the loan or loan guarantee is entered into, that, at any time while the loan or loan guarantee is outstanding, the project will be capable of providing broadband service at not less than the minimum acceptable standard of service established under paragraph (1)(B) for that time.*

(5) *SUBSTITUTE SERVICE STANDARDS FOR UNIQUE SERVICE TERRITORIES.*—*If an applicant shows that it would be cost prohibitive to meet the minimum acceptable level of broadband service established under paragraph (1)(B) for the entirety of a proposed service territory due to the unique characteristics of the proposed service territory, the Secretary and the applicant may agree to utilize substitute standards for any unserved portion of the project. Any substitute service standards should continue to consider the matters described in paragraph (2)(B) and reflect the best technology available to meet the needs of the residents in the unserved area.*

(f) *TECHNOLOGICAL NEUTRALITY.*—*For purposes of determining whether to make a loan or loan guarantee for a project under this section, the Secretary shall use criteria that are technologically neutral.*

(g) *TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.*—

(1) *IN GENERAL.*—*Notwithstanding any other provision of law, a loan or loan guarantee under this section shall—*

(A) bear interest at an annual rate of, as determined by the Secretary—

- (i) in the case of a direct loan, a rate equivalent to—*
 - (I) the cost of borrowing to the Department of the Treasury for obligations of comparable maturity; or*
 - (II) 4 percent; and*
- (ii) in the case of a guaranteed loan, the current applicable market rate for a loan of comparable maturity; and*

(B) have a term of such length, not exceeding 35 years, as the borrower may request, if the Secretary determines that the loan is adequately secured.

(2) TERMS.—In determining the term and conditions of a loan or loan guarantee, the Secretary may—

(A) consider whether the recipient is or would be serving an area that is unserved or has service levels below the minimum acceptable [level of broadband service established under subsection (e)] *standard of service established under subsection (e)(1)(A)*; and

(B) if the Secretary makes a determination in the affirmative under subparagraph (A), establish a limited initial deferral period or comparable terms necessary to achieve the financial feasibility and long-term sustainability of the project.

(3) RECURRING REVENUE.—The Secretary shall consider the existing recurring revenues of the entity at the time of application in determining an adequate level of credit support.

(4) MINIMUM STANDARDS.—*To the extent possible, the terms and conditions under which a loan or loan guarantee is provided to an applicant for a project shall require that, at any time while the loan or loan guarantee is outstanding, the broadband network provided by the project will meet the lower of—*

(A) the minimum acceptable standard of service projected under subsection (e)(1)(B) for that time, as agreed to by the applicant at the time the loan or loan guarantee is provided; or

(B) the minimum acceptable standard of service in effect under subsection (e)(1)(A) for that time.

(h) ADEQUACY OF SECURITY.—

(1) IN GENERAL.—The Secretary shall ensure that the type and amount of, and method of security used to secure, any loan or loan guarantee under this section is commensurate to the risk involved with the loan or loan guarantee, particularly in any case in which the loan or loan guarantee is issued to a financially strong and stable entity, as determined by the Secretary.

(2) DETERMINATION OF AMOUNT AND METHOD OF SECURITY.—In determining the amount of, and method of security used to secure, a loan or loan guarantee under this section, the Secretary shall consider reducing the security in a rural area that does not have broadband service.

(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE OR MIDDLE MILE INFRASTRUCTURE.—Notwithstanding any other provision of this Act, the proceeds of any loan made or guaranteed by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act, or on any other loan if the purpose for which such other loan was made is a telecommunications purpose for which assistance may be provided under this Act, if the use of the proceeds for that purpose will support the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service or middle mile infrastructure in rural areas.

(j) REPORTS.—[Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, and annually

thereafter, the Administrator shall submit to Congress a report that describes the extent of participation in the loan and loan guarantee program under this section] *Each year, the Secretary shall submit to the Congress a report that describes the extent of participation in the broadband loan, loan guarantee, and grant programs administered by the Secretary for the preceding fiscal year, including a description of —*

(1) the number of [loans applied for and provided under this section] *loans, loan guarantees, and grants applied for and provided under the programs*, including any loan terms or conditions for which the Secretary provided additional assistance to unserved areas;

(2)(A) the communities proposed to be served in each [loan] application submitted for the fiscal year; and

(B) the communities served by projects funded by [loans and loan guarantees provided under this section] *loans, loan guarantees, and grants provided under the programs*;

(3) the period of time required to approve each [loan application under this section] *application under the programs*;

(4) any outreach activities carried out by the Secretary to encourage entities in rural areas without broadband service to submit applications under [this section] *the programs*;

(5) the method by which the Secretary determines that a [service] *technology* enables a subscriber to originate and receive high-quality voice, data, graphics, and video for purposes of subsection [(b)(1)] *(e)(1)*;

(6) each broadband service *or middle mile infrastructure*, including the type and speed of broadband service, for which assistance was sought, and each broadband service *or middle mile infrastructure* for which assistance was provided, under [this section] *the programs*; and

(7) the overall progress towards fulfilling the goal of improving the quality of rural life by expanding rural broadband access, as demonstrated by metrics, including—

(A) the number of residences and businesses receiving new broadband services;

(B) network improvements, including facility upgrades and equipment purchases;

(C) average broadband speeds and prices on a local and statewide basis;

(D) any changes in broadband adoption rates; and

(E) any specific activities that increased high speed broadband access for educational institutions, health care providers, and public safety service providers.

(k) FUNDING.—

[(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$25,000,000 for each of fiscal years 2008 through 2018, to remain available until expended.]

[(1) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For loans and loan guarantees under this section, there is authorized to be appropriated to the Secretary \$150,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.]

[(2) ALLOCATION OF FUNDS.—

(A) IN GENERAL.—From amounts made available for each fiscal year under this subsection, the Secretary shall—

(i) establish a national reserve for ~~loans~~ *grants, loans,* and loan guarantees to eligible entities in States under this section; and

(ii) allocate amounts in the reserve to each State for each fiscal year for loans and loan guarantees to eligible entities in the State.

(B) AMOUNT.—The amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as—

(i) the number of communities with a population of 2,500 inhabitants or less in the State; bears to

(ii) the number of communities with a population of 2,500 inhabitants or less in all States.

(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for a State for a fiscal year under subparagraph (B) that are not obligated by April 1 of the fiscal year shall be available to the Secretary to make ~~loans~~ *grants, loans,* and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.

(1) TERMINATION OF AUTHORITY.—No loan or loan guarantee may be made under this section after September 30, ~~2018~~ 2023.

SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.

(a) DESIGNATION OF CENTER.—The Secretary shall designate an entity to serve as the National Center for Rural Telecommunications Assessment (referred to in this section as the “Center”).

(b) CRITERIA.—In designating the Center under subsection (a), the Secretary shall take into consideration the following criteria:

(1) The Center shall be an entity that demonstrates to the Secretary—

(A) a focus on rural policy research; and

(B) a minimum of 5 years of experience relating to rural telecommunications research and assessment.

(2) The Center shall be capable of assessing broadband services in rural areas.

(3) The Center shall have significant experience involving other rural economic development centers and organizations with respect to the assessment of rural policies and the formulation of policy solutions at the Federal, State, and local levels.

(c) BOARD OF DIRECTORS.—The Center shall be managed by a board of directors, which shall be responsible for the duties of the Center described in subsection (d).

(d) DUTIES.—The Center shall—

(1) assess the effectiveness of programs carried out under this title in increasing broadband penetration and purchase in rural areas, especially in rural communities identified by the Secretary as having no broadband service before the provision of a loan or loan guarantee under this title;

(2) work with existing rural development centers selected by the Center to identify policies and initiatives at the Federal, State, and local levels that have increased broadband penetra-

tion and purchase in rural areas and provide recommendations to Federal, State, and local policymakers on effective strategies to bring affordable broadband services to residents of rural areas, particularly residents located outside of the municipal boundaries of a rural city or town; and

[(3) develop and publish reports describing the activities carried out by the Center under this section.

[(e) REPORTING REQUIREMENTS.—Not later than December 1 of each applicable fiscal year, the board of directors of the Center shall submit to Congress and the Secretary a report describing the activities carried out by the Center during the preceding fiscal year and the results of any research conducted by the Center during that fiscal year, including—

[(1) an assessment of each program carried out under this title; and

[(2) an assessment of the effects of the policy initiatives identified under subsection (d)(2).

[(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000 for each of fiscal years 2008 through 2012.]

SEC. 602. INCENTIVES FOR HARD TO REACH COMMUNITIES.

(a) DEFINITIONS.—*In this section:*

(1) ASSOCIATED LOAN.—*The term “associated loan” means a loan or loan guarantee to finance all or part of a project under title I or II or this title for which an application has been submitted under such title and for which an application has also been submitted for a grant under this section.*

(2) DENSITY.—

(A) IN GENERAL.—*The term “density” means service points per road mile.*

(B) METHOD OF CALCULATION.—*The Secretary shall further define, by rule, a method for calculating service points per road-mile, where appropriate by geography, which—*

(i) divides the total number of service points by the total number of road-miles in a proposed service territory;

(ii) requires an applicant to count all potential service points in a proposed service territory; and

(iii) includes any other requirements the Secretary deems necessary to protect the integrity of the program.

(3) ELIGIBLE PROJECT.—*The term “eligible project” means any project for which the applicant—*

(A) has submitted an application for an associated loan; and

(B) does not receive any other broadband grant administered by the Rural Utilities Service; and

(C) proposes to—

(i) offer retail broadband service to rural households;

(ii) serve an area with a density of less than 12;

(iii) provide service that meets the standard that would apply under section 601(e)(4) if the associated loan had been applied for under section 601;

(iv) provide service in an area where no incumbent provider delivers fixed terrestrial broadband service at

or above the minimum broadband speed described in section 601(e)(1); and

(v) provide service in an area where no eligible borrower, other than the applicant, has outstanding Rural Utilities Service telecommunications debt or is subject to a current Rural Utilities Service telecommunications grant agreement.

(4) *SERVICE POINT.*—The term “service point” means a home, business, or institution in a proposed service area.

(5) *ROAD-MILE.*—The term “road-mile” means a mile of road in a proposed service area.

(b) *ESTABLISHMENT OF GRANT PROGRAM.*—The Secretary shall establish a competitive grant program to provide applicants funds to carry out eligible projects for the purposes of construction, improvement, or acquisition of facilities for the provision of broadband service in rural areas.

(c) *APPLICATIONS.*—The Secretary shall establish an application process for grants under this section that—

(1) has 1 application window per year;

(2) permits a single application for the grant and the associated loan; and

(3) provides a single decision to award the grant and the associated loan.

(d) *PRIORITY.*—In making grants under this section, the Secretary shall prioritize applications in which the applicant proposes to—

(1) provide the highest quality of service as measured by—

(A) network speed;

(B) network latency; and

(C) data allowances;

(2) serve the greatest number of service points; and

(3) use the greatest proportion of non-Federal dollars.

(e) *AMOUNT.*—The Secretary shall make each grant under this section in an amount that is—

(1) not greater than 75 percent of the total project cost with respect to an area with a density of less than 4;

(2) not greater than 50 percent of the total project cost with respect to an area with a density of 4 or more and not more than 9; and

(3) not greater than 25 percent of the total project cost with respect to an area with a density of more than 9 and not more than 12.

(f) *TERMS AND CONDITIONS.*—With respect to a grant provided under this section, the Secretary shall require that—

(1) the associated loan is secured by the assets purchased with funding from the grant and from the loan;

(2) the agreement in which the terms of the grant are established is for a period equal to the duration of the associated loan; and

(3) at any time at which the associated loan is outstanding, the broadband service provided by the project will meet the lower of the standards that would apply under section 601(g)(4) if the associated loan had been made under section 601.

(g) *PAYMENT ASSISTANCE FOR CERTAIN APPLICANTS UNDER THIS TITLE.*—

(1) *IN GENERAL.*—As part of the grant program under this section, the Secretary, at the sole discretion of the Secretary, may provide to applicants who are eligible borrowers under this title and not eligible borrowers under title I or II all or a portion of the grant funds in the form of payment assistance.

(2) *PAYMENT ASSISTANCE.*—The Secretary may provide payment assistance under paragraph (1) by reducing a borrower’s interest rate or periodic principal payments or both.

(3) *AGREEMENT ON MILESTONES AND OBJECTIVES.*—With respect to payment assistance provided under paragraph (1), before entering into the agreement for the grant and associated loan under which the payment assistance will be provided, the applicant and the Secretary shall agree to milestones and objectives of the project.

(4) *CONDITION.*—The Secretary shall condition any payment assistance provided under paragraph (1) on—

(A) the applicant fulfilling the terms and conditions of the grant agreement under which the payment assistance will be provided; and

(B) completion of the milestones and objectives agreed to under paragraph (3).

(5) *AMENDMENT OF MILESTONES AND OBJECTIVES.*—The Secretary and the applicant may jointly agree to amend the milestones and objectives agreed to under paragraph (3).

(h) *EXISTING PROJECTS.*—The Secretary may not provide a grant under this section to an applicant for a project that was commenced before the date of the enactment of this section.

(i) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to carry out this section \$350,000,000 for each of fiscal years 2019 to 2023.

SEC. 603. [RURAL GIGABIT NETWORK PILOT] INNOVATIVE BROADBAND ADVANCEMENT PROGRAM.

[(a) *DEFINITION OF ULTRA-HIGH SPEED SERVICE.*—In this section, the term “ultra-high speed service” means broadband service operating at a 1 gigabit per second downstream transmission capacity.

[(b) *PILOT PROGRAM.*—The Secretary shall establish a pilot program to be known as the “Rural Gigabit Network Pilot Program”, under which the Secretary may, at the discretion of the Secretary, provide grants, loans, or loan guarantees to eligible entities.

[(c) *ELIGIBILITY.*—

[(1) *IN GENERAL.*—To be eligible to obtain assistance under this section, an entity shall—

[(A) demonstrate to the Secretary the ability to furnish or extend ultra-high speed service to a rural area;

[(B) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

[(C) not already provide ultra-high speed service to a rural area within any State in the proposed service territory; and

[(D) agree to complete buildout of ultra-high speed service by not later than 3 years after the initial date on which assistance under this section is made available.

[(2) ELIGIBLE PROJECTS.—Assistance under this section may only be used to carry out a project in a proposed service territory if—

[(A) the proposed service territory is a rural area; and

[(B) ultra-high speed service is not provided in any part of the proposed service territory.]

(a) *IN GENERAL.*—*The Secretary shall establish a program to be known as the “Innovative Broadband Advancement Program”, under which the Secretary may provide a grant, a loan, or both to an eligible entity for the purpose of demonstrating innovative broadband technologies or methods of broadband deployment that significantly decrease the cost of broadband deployment, and provide substantially faster broadband speeds than are available, in a rural area.*

(b) *RURAL AREA.*—*In this section, the term “rural area” has the meaning provided in section 601(b)(3).*

(c) *ELIGIBILITY.*—*To be eligible to obtain assistance under this section for a project, an entity shall—*

(1) *submit to the Secretary an application—*

(A) *that describes a project designed to decrease the cost of broadband deployment, and substantially increase broadband speed to not less than the 20-year broadband speed established by the Rural Utilities Service under this title, in a rural area to be served by the project; and*

(B) *at such time, in such manner, and containing such other information as the Secretary may require;*

(2) *demonstrate that the entity is able to carry out the project; and*

(3) *agree to complete the project build-out within 5 years after the date the assistance is first provided for the project.*

(d) *PRIORITIZATION.*—*In awarding assistance under this section, the Secretary shall give priority to proposals for projects that—*

(1) *involve partnerships between or among multiple entities;*

(2) *would provide broadband service to the greatest number of rural residents at or above the minimum broadband speed referred to in subsection (c)(1)(A); and*

(3) *the Secretary determines could be replicated in rural areas described in paragraph (2).*

[(d)] (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years [2014 through 2018] 2019 through 2023.*

SEC. 604. OUTDATED BROADBAND SYSTEMS.

Beginning October 1, 2020, the Secretary shall consider any portion of a service territory subject to an outstanding grant agreement between the Secretary and a broadband provider in which broadband service is not provided at at least 10 megabits per second download and at least 1 megabit per second upload as unserved for the purposes of all broadband loan programs under this Act, unless the broadband provider has constructed or begun to construct broadband facilities in the service territory that meet the minimum acceptable standard of service established under section 601(e)(1) for the area in which the service territory is located.

AGRICULTURAL RISK PROTECTION ACT OF 2000

TITLE II—AGRICULTURAL ASSISTANCE

* * * * *

SUBTITLE D—AGRICULTURAL MARKETING

SEC. 231. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

(a) DEFINITIONS.—In this section:

(1) BEGINNING FARMER OR RANCHER.—The term “beginning farmer or rancher” has the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

(2) FAMILY FARM.—The term “family farm” has the meaning given the term in section 761.2 of title 7, Code of Federal Regulations (as in effect on December 30, 2007).

(3) MID-TIER VALUE CHAIN.—The term “mid-tier value chain” means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

(A) targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and

(B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.

(4) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

(5) VALUE-ADDED AGRICULTURAL PRODUCT.—The term “value-added agricultural product” means any agricultural commodity or product that—

(A)(i) has undergone a change in physical state;

(ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;

(iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;

(iv) is a source of farm- or ranch-based renewable energy, including E-85 fuel; or

(v) is aggregated and marketed as a locally-produced agricultural food product; and

(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

(i) the customer base for the agricultural commodity or product is expanded; and

(ii) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agri-

- cultural commodity or product is available to the producer of the commodity or product.
- (b) GRANT PROGRAM.—
- (1) IN GENERAL.—From amounts made available under paragraph (7), the Secretary shall award competitive grants—
- (A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—
- (i) in developing a business plan for viable marketing opportunities for the value-added agricultural product; or
 - (ii) in developing strategies that are intended to create marketing opportunities for the producer; and
- (B) to an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture (as determined by the Secretary) to assist the entity—
- (i) in developing a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or
 - (ii) in developing strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.
- (2) AMOUNT OF GRANT.—
- (A) IN GENERAL.—The total amount provided under this subsection to a grant recipient shall not exceed \$500,000.
- (B) MAJORITY-CONTROLLED PRODUCER-BASED BUSINESS VENTURES.—The amount of grants provided to majority-controlled producer-based business ventures under paragraph (1)(B) for a fiscal year may not exceed 10 percent of the amount of funds that are used to make grants for the fiscal year under this subsection.
- (3) GRANTEE STRATEGIES.—A grantee under paragraph (1) shall use the grant—
- (A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or
 - (B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.
- (4) TERM.—A grant under this subsection shall have a term that does not exceed 3 years.
- (5) SIMPLIFIED APPLICATION.—The Secretary shall offer a simplified application form and process for project proposals requesting less than \$50,000.
- (6) PRIORITY.—
- (A) ELIGIBLE INDEPENDENT PRODUCERS OF VALUE-ADDED AGRICULTURAL PRODUCTS.—In awarding grants under paragraph (1)(A), the Secretary shall give priority to—
- (i) operators of small- and medium-sized farms and ranches that are structured as family farms;
 - (ii) beginning farmers or ranchers;
 - (iii) socially disadvantaged farmers or ranchers; and

(iv) veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).

(B) ELIGIBLE AGRICULTURAL PRODUCER GROUPS, FARMER OR RANCHER COOPERATIVES, AND MAJORITY-CONTROLLED PRODUCER-BASED BUSINESS VENTURE.—In awarding grants under paragraph (1)(B), the Secretary shall give priority to projects (including farmer or rancher cooperative projects) that best contribute to creating or increasing marketing opportunities for operators, farmers, and ranchers described in subparagraph (A).

(7) FUNDING.—

[(A) MANDATORY FUNDING.—On the date of enactment of the Agricultural Act of 2014, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$63,000,000, to remain available until expended.]

[(B)] (A) DISCRETIONARY FUNDING.—There is authorized to be appropriated to carry out this subsection **[\$40,000,000 for each of fiscal years 2008 through 2018]** *\$50,000,000 for each of fiscal years 2019 through 2023.*

[(C)] (B) RESERVATION OF FUNDS FOR PROJECTS TO BENEFIT BEGINNING FARMERS OR RANCHERS, SOCIALLY DISADVANTAGED FARMERS OR RANCHERS, AND MID-TIER VALUE CHAINS.—

(i) IN GENERAL.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

(ii) MID-TIER VALUE CHAINS.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

(iii) UNOBLIGATED AMOUNTS.—Any amounts in the reserves for a fiscal year established under clauses (i) and (ii) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make grants under this subsection to eligible entities in any State, as determined by the Secretary.

(c) AGRICULTURAL MARKETING RESOURCE CENTER PILOT PROJECT.—

(1) ESTABLISHMENT.—Notwithstanding the limitation on grants in subsection (b)(2), the Secretary shall not use more than 5 percent of the funds made available under subsection (b) to establish a pilot project (to be known as the “Agricultural Marketing Resource Center”) at an eligible institution described in paragraph (2) that will—

(A) develop a resource center with electronic capabilities to coordinate and provide to independent producers and processors (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities information regarding research, business, legal, financial, or logistical assistance; and

- (B) develop a strategy to establish a nationwide market information and coordination system.
- (2) ELIGIBLE INSTITUTION.—To be eligible to receive funding to establish the Agricultural Marketing Resource Center, an applicant shall demonstrate to the Secretary—
 - (A) the capacity and technical expertise to provide the services described in paragraph (1)(A);
 - (B) an established plan outlining support of the applicant in the agricultural community; and
 - (C) the availability of resources (in cash or in kind) of definite value to sustain the Center following establishment.
- (d) MATCHING FUNDS.—A recipient of funds under subsection (a) or (b) shall contribute an amount of non-Federal funds that is at least equal to the amount of Federal funds received.
- (e) LIMITATION.—Funds provided under this section may not be used for—
 - (1) planning, repair, rehabilitation, acquisition, or construction of a building or facility (including a processing facility); or
 - (2) the purchase, rental, or installation of fixed equipment.

* * * * *

SECTION 15751 OF TITLE 40, UNITED STATES CODE

§ 15751. Authorization of appropriations

(a) IN GENERAL.—There is authorized to be appropriated to each Commission to carry out this subtitle \$30,000,000 for each of fiscal years 2008 through **[2018]** 2023.

(b) ADMINISTRATIVE EXPENSES.—

(1) IN GENERAL.—Except as provided in paragraph (2), not more than 10 percent of the funds made available to a Commission in a fiscal year under this section may be used for administrative expenses.

(2) LIMITED FUNDING.—In a case in which less than \$10,000,000 is made available to a Commission for a fiscal year under this section, paragraph (1) shall not apply.

HOUSING ACT OF 1949

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TITLE V—FARM HOUSING

* * * * *

DEFINITION OF RURAL AREA

SEC. 520. As used in this title, the terms “rural” and “rural area” mean any open country, or any place, town, village, or city which is not (except in the cases of Pajaro, in the State of California, and Guadalupe, in the State of Arizona) part of or associated with an urban area and which (1) has a population not in excess of 2,500 inhabitants, or (2) has a population in excess of 2,500 but not in excess of 10,000 if it is rural in character, or (3) has a population

in excess of 10,000 but not in excess of 20,000, and (A) is not contained within a standard metropolitan statistical area, and (B) has a serious lack of mortgage credit for lower and moderate-income families, as determined by the Secretary and the Secretary of Housing and Urban Development. For purposes of this title, any area classified as "rural" or a "rural area" prior to October 1, 1990, and determined not to be "rural" or a "rural area" as a result of data received from or after the 1990, 2000, [or 2010 decennial census] 2010, or 2020 decennial census, and any area deemed to be a "rural area" for purposes of this title under any other provision of law at any time during the period beginning January 1, 2000, and ending [December 31, 2010,] December 31, 2020, shall continue to be so classified until the receipt of data from the decennial census in the [year 2020] year 2030, if such area has a population in excess of 10,000 but not in excess of 35,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families. Notwithstanding any other provision of this section, the city of Plainview, Texas, shall be considered a rural area for purposes of this title, and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000.

* * * * *

ACT OF MAY 7, 1971

(Public Law 92-12)

AN ACT To amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That it is hereby declared to be the policy of the Congress that the growing capital needs of the rural telephone systems require the establishment of a rural telephone bank which will furnish assured and viable sources of supplementary financing with the objective that said bank will become an entirely privately owned, operated, and financed corporation. The Congress further finds that many rural telephone systems require financing under the terms and conditions provided in title I1 of the Rural Electrification Act of 1936, as amended. In order to effectuate this policy, the Rural Electrification Act of 1936, as amended (7 U.S.C. 921-924), is amended as hereinafter provided.]

* * * * *

ACT OF JUNE 30, 1972

(Public Law 92-324)

AN ACT To amend the Rural Electrification Act of 1936, as amended, to enhance the ability of the Rural Telephone Bank to obtain funds for the supplementary financing program on favorable terms and conditions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That it is hereby declared to be the policy of the Congress that the Rural Telephone Bank should have the capability of obtaining adequate funds for its supplementary financing program at the lowest possible costs. In order to effectuate this policy, it will be necessary to expand the market for debentures to be issued by the Telephone Bank. The Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), is therefore further amended as herein-after provided.]

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OMNIBUS BUDGET RECONCILIATION ACT OF 1987

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TITLE I—AGRICULTURE AND RELATED PROGRAMS

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Subtitle D—Rural Electrification Administration Programs

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CHAPTER 2—RURAL TELEPHONE BANK BORROWERS

[SEC. 1411. RURAL TELEPHONE BANK INTEREST RATES AND LOAN PREPAYMENTS

[(a) FINDINGS.—Congress finds that—

[(1) overcharging or Rural Telephone Bank borrowers has resulted in \$179,000,000 in excess profits and has imperiled borrowers by raising costs to ratepayers;

[(2) borrowers will be able to seek redress under section 408(b)(3)(G) of the Rural Electrification Act of 1936, as added by subsection (c), or may leave the Rural Telephone Bank, but in no case may the Governor of the Bank issue regulations requiring any penalty from borrowers seeking to retire debt prior to maturity; and

[(3) any reduction in Federal Government expenditures in the operation of the Rural Telephone Bank, from the borrowers' conduct resulting from the implementation of the amendments made by subsections (b) and (c), should be included in all calculations of the budget of the United States

Government, authorized under the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987.

[(b) RURAL TELEPHONE BANK LOAN REPAYMENTS.—

[(1) PREPAYMENTS AUTHORIZED.—Section 408(b) of the Rural Electrification Act of 1936 (7 U.S.C. 948(b)) is amended by adding at the end the following new paragraph:

[(8) A borrower with a loan from the Rural Telephone Bank may prepay such loan (or any part thereof) by paying the face amount thereof without being required to pay the prepayment penalty set forth in the note covering such loan, if such prepayment is not made later than September 30, 1988.”.

[(2) PREPAYMENT REGULATIONS.—The Governor of the Rural Telephone Bank shall issue regulations to carry out the amendment made by paragraph (1) within 30 days after the date of enactment of this Act. Such regulations shall implement the amendment made by paragraph (1) without the addition of any restrictions set forth in such amendment.]

(c) [Omitted amendatory text]

* * * * *

[SEC. 1414. PUBLICATION OF RURAL TELEPHONE BANK POLICIES AND REGULATIONS.

[Notwithstanding the exemption contained in section 553(a)(2) of title 5, United States Code, the Governor of the telephone bank shall cause to be published in the Federal Register, in accordance with section 553 of title 5, United States Code, all rules, regulations, bulletins, and other written policy standards governing the operation of the telephone bank’s programs relating to public property, loans, grants, benefits, or contracts. After September 30, 1988, the telephone bank may not deny a loan or advance to, or take any other adverse action against, any applicant or borrower for any reason which is based upon a rule, regulation, bulletin, or other written policy standard which has not been published pursuant to such section.]

* * * * *

SECTION 105 OF THE NATIONAL CONSUMER COOPERATIVE BANK ACT

* * * * *

ELIGIBILITY

SEC. 105. (a) For the purpose of all titles of this Act, subject to the limitations of subsection (d) of this section, an eligible cooperative is an organization chartered or operated on a cooperative, not-for-profit basis for producing or furnishing goods, services or facilities, primarily for the benefit of its members or voting stockholders who are ultimate consumers of such goods, services, or facilities, or a legally chartered entity primarily owned and controlled by any such organization or organizations, if it—

(1) makes such goods, services or facilities directly or indirectly available to its members or voting stockholders on a not-for-profit basis;

(2) does not pay dividends on voting stock or membership capital in excess of such percentage per annum as may be approved under the bylaws of the Bank;

(3) provides that its net savings shall be allocated or distributed to all members or patrons, in proportion to their patronage, or shall be retained for the actual or potential expansion of its services or the reduction of its charges to the patrons, or for such other purposes as may be authorized by its membership not inconsistent with its purposes;

(4) makes membership available on a voluntary basis, without any social, political, racial, or religious discrimination and without any discrimination on the basis of age, sex, or marital status, to all persons who can make use of its services and are willing to accept the responsibilities of membership, subject only to limitations under applicable Federal or State laws or regulations;

(5) in the case of the primary cooperative organizations restricts its voting control to members or voting stockholders on a one vote per person basis (except that this requirement shall not apply to any housing cooperative in existence on March 21, 1980, which did not meet such requirement on such date) and takes positive steps to insure economic democracy and maximum participation by members of the cooperative including the holding of annual meetings and, in the case of organizations owned by groups of cooperatives, provided positive protections to insure economic democracy; and

(6) is not a credit union, mutual savings bank, or mutual savings and loan association.

(b) No organization shall be ineligible because it produces, markets, or furnishes goods, services, or facilities on behalf of its members as primary producers, unless the dollar volume of loans made by the Bank to such organizations exceeds 10 per centum of the gross assets of the Bank.

(c) As used in this section, the term "net savings" means, for any period, the borrower's gross receipts, less the operating and other expenses deductible therefrom in accordance with generally accepted accounting principles, including, without limitation, contributions to allowable reserves, and after deducting the amounts of any dividends on its capital stock or other membership capital payable during, or within forty-five days after, the close of such period.

(d) An eligible cooperative which also has been determined to be eligible for credit assistance from the Rural Electrification Administration, the National Rural Utilities Cooperative Finance Corporation, [the Rural Telephone Bank,] the Banks for Cooperatives or other institutions of the Farm Credit System, or the Farmers Home Administration may receive the assistance authorized by this Act only (1) if the Bank determines that a request for assistance from any such source or sources has been rejected or denied solely because of the unavailability of funds from such source or sources, or (2) by agreement between the Bank and the agency or agencies involved.

(e) Notwithstanding any other provision of this section, a credit union serving predominantly low-income members (as defined by the Administrator of the National Credit Union Administration) may receive technical assistance under title II.

TITLE 31, UNITED STATES CODE

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SUBTITLE VI—MISCELLANEOUS

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CHAPTER 91—GOVERNMENT CORPORATIONS

* * * * *

§ 9101. Definitions

In this chapter—

(1) “Government corporation” means a mixed-ownership Government corporation and a wholly owned Government corporation.

(2) “mixed-ownership Government corporation” means—

(A) the Central Bank for Cooperatives.

(B) the Federal Deposit Insurance Corporation.

(C) the Federal Home Loan Banks.

(D) the Federal Intermediate Credit Banks.

(E) the Federal Land Banks.

(F) the National Credit Union Administration Central Liquidity Facility.

(G) the Regional Banks for Cooperatives.

[(H) the Rural Telephone Bank when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).]

[(I) (H) the Financing Corporation.

[(J) (I) the Resolution Trust Corporation.

[(K) (J) the Resolution Funding Corporation.

(3) “wholly owned Government corporation” means—

(A) the Commodity Credit Corporation.

(B) the Community Development Financial Institutions Fund.

(C) the Export-Import Bank of the United States.

(D) the Federal Crop Insurance Corporation.

(E) Federal Prison Industries, Incorporated.

(F) the Corporation for National and Community Service.

(G) the Government National Mortgage Association.

(H) the Overseas Private Investment Corporation.

(I) the Pennsylvania Avenue Development Corporation.

(J) the Pension Benefit Guaranty Corporation.

[(K) the Rural Telephone Bank until the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a)).]

[(L) (K) the Saint Lawrence Seaway Development Corporation.

[(M) (L) the Secretary of Housing and Urban Development when carrying out duties and powers related to the Federal Housing Administration Fund.

[(N) (M) the Tennessee Valley Authority.

- [(P)] (N) the Panama Canal Commission.
- [(Q)] (O) the Millennium Challenge Corporation.
- [(R)] (P) the International Clean Energy Foundation.

* * * * *

§ 9108. Obligations

(a) Before a Government corporation issues obligations and offers obligations to the public, the Secretary of the Treasury shall prescribe—

- (1) the form, denomination, maturity, interest rate, and conditions to which the obligations will be subject;
- (2) the way and time the obligations are issued; and
- (3) the price for which the obligations will be sold.

(b) A Government corporation may buy or sell a direct obligation of the United States Government, or an obligation on which the principal, interest, or both, is guaranteed, of more than \$100,000 only when the Secretary approves the purchase or sale. The Secretary may waive the requirement of this subsection under conditions the Secretary may decide.

(c) The Secretary may designate an officer or employee of an agency to carry out this section if the head of the agency agrees.

(d)(1) This section does not apply to a mixed-ownership Government corporation when the corporation has no capital of the Government.

(2) Subsections (a) and (b) of this section do not apply to [the Rural Telephone Bank (when the ownership, control, and operation of the Bank are converted under section 410(a) of the Rural Electrification Act of 1936 (7 U.S.C. 950(a))),] the Federal Intermediate Credit Banks, the Central Bank for Cooperatives, the Regional Banks for Cooperatives, and the Federal Land Banks. However, the head of each of those banks shall consult with the Secretary before taking action of the kind described in subsection (a) or (b). If agreement is not reached, the Secretary may make a written report to the corporation, the President, and Congress on the reasons for the Secretary’s disagreement.

* * * * *

LAUNCHING OUR COMMUNITIES’ ACCESS TO LOCAL TELEVISION ACT OF 2000

* * * * *

[TITLE X—LOCAL TV ACT]

TITLE X—SATELLITE CARRIER RETRANSMISSION ELIGIBILITY

[SEC. 1001. SHORT TITLE.

[This title may be cited as the “Launching Our Communities’ Access to Local Television Act of 2000”.

[SEC. 1002. PURPOSE.

【The purpose of this Act is to facilitate access, on a technologically neutral basis and by December 31, 2006, to signals of local television stations for households located in nonserved areas and underserved areas.

[SEC. 1003. LOCAL TELEVISION LOAN GUARANTEE BOARD.

【(a) ESTABLISHMENT.—There is established the LOCAL Television Loan Guarantee Board (in this Act referred to as the “Board”).

【(b) MEMBERS.—

【(1) IN GENERAL.—Subject to paragraph (2), the Board shall consist of the following members:

【(A) The Secretary of the Treasury, or the designee of the Secretary.

【(B) The Chairman of the Board of Governors of the Federal Reserve System, or the designee of the Chairman.

【(C) The Secretary of Agriculture, or the designee of the Secretary.

【(D) The Secretary of Commerce, or the designee of the Secretary.

【(2) REQUIREMENT AS TO DESIGNEES.—An individual may not be designated a member of the Board under paragraph (1) unless the individual is an officer of the United States pursuant to an appointment by the President, by and with the advice and consent of the Senate.

【(c) FUNCTIONS OF THE BOARD.—

【(1) IN GENERAL.—The Board shall determine whether or not to approve loan guarantees under this Act. The Board shall make such determinations consistent with the purpose of this Act and in accordance with this subsection and section 4.

【(2) CONSULTATION AUTHORIZED.—

【(A) IN GENERAL.—In carrying out its functions under this Act, the Board shall consult with such departments and agencies of the Federal Government as the Board considers appropriate, including the Department of Commerce, the Department of Agriculture, the Department of the Treasury, the Department of Justice, the Department of the Interior, the Board of Governors of the Federal Reserve System, the Federal Communications Commission, the Federal Trade Commission, and the National Aeronautics and Space Administration.

【(B) RESPONSE.—A department or agency consulted by the Board under subparagraph (A) shall provide the Board such expertise and assistance as the Board requires to carry out its functions under this Act.

【(3) APPROVAL BY MAJORITY VOTE.—The determination of the Board to approve a loan guarantee under this Act shall be by an affirmative vote of not less than three members of the Board.

[SEC. 1004. APPROVAL OF LOAN GUARANTEES.

【(a) AUTHORITY TO APPROVE LOAN GUARANTEES.—Subject to the provisions of this section and consistent with the purpose of this Act, the Board may approve loan guarantees under this Act.

【(b) REGULATIONS.—

[(1) REQUIREMENTS.—The Administrator (as defined in section 1005), under the direction of and for approval by the Board, shall prescribe regulations to implement the provisions of this Act and shall do so not later than 120 days after funds authorized to be appropriated under section 1011 have been appropriated in a bill signed into law.

[(2) ELEMENTS.—The regulations prescribed under paragraph (1) shall—

[(A) set forth the form of any application to be submitted to the Board under this Act;

[(B) set forth time periods for the review and consideration by the Board of applications to be submitted to the Board under this Act, and for any other action to be taken by the Board with respect to such applications;

[(C) provide appropriate safeguards against the evasion of the provisions of this Act;

[(D) set forth the circumstances in which an applicant, together with any affiliate of an applicant, shall be treated as an applicant for a loan guarantee under this Act;

[(E) include requirements that appropriate parties submit to the Board any documents and assurances that are required for the administration of the provisions of this Act; and

[(F) include such other provisions consistent with the purpose of this Act as the Board considers appropriate.

[(3) CONSTRUCTION.—(A) Nothing in this Act shall be construed to prohibit the Board from requiring, to the extent and under circumstances considered appropriate by the Board, that affiliates of an applicant be subject to certain obligations of the applicant as a condition to the approval or maintenance of a loan guarantee under this Act.

[(B) If any provision of this Act or the application of such provision to any person or entity or circumstance is held to be invalid by a court of competent jurisdiction, the remainder of this Act, or the application of such provision to such person or entity or circumstance other than those as to which it is held invalid, shall not be affected thereby.

[(c) AUTHORITY LIMITED BY APPROPRIATIONS ACTS.—The Board may approve loan guarantees under this Act only to the extent provided for in advance in appropriations Acts.

[(d) REQUIREMENTS AND CRITERIA APPLICABLE TO APPROVAL.—

[(1) IN GENERAL.—The Board shall utilize the underwriting criteria developed under subsection (g), and any relevant information provided by the departments and agencies with which the Board consults under section 1003, to determine which loans may be eligible for a loan guarantee under this Act.

[(2) PREREQUISITES.—In addition to meeting the underwriting criteria under paragraph (1), a loan may not be guaranteed under this Act unless—

[(A) the loan is made to finance the acquisition, improvement, enhancement, construction, deployment, launch, or rehabilitation of the means by which local television broadcast signals will be delivered to a nonserved area or underserved area;

[(B) the proceeds of the loan will not be used for operating, advertising, or promotion expenses, or for the acquisition of licenses for the use of spectrum in any competitive bidding under section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j));

[(C) the proposed project, as determined by the Board in consultation with the National Telecommunications and Information Administration, is not likely to have a substantial adverse impact on competition that outweighs the benefits of improving access to the signals of a local television station in a nonserved area or underserved area and is commercially viable;

[(D)(i) the loan—

[(I) is provided by any entity engaged in the business of commercial lending—

[(aa) if the loan is made in accordance with loan-to-one-borrower and affiliate transaction restrictions to which the entity is subject under applicable law; or

[(bb) if item (aa) does not apply, the loan is made only to a borrower that is not an affiliate of the entity and only if the amount of the loan and all outstanding loans by that entity to that borrower and any of its affiliates does not exceed 10 percent of the net equity of the entity; or

[(II) is provided by a nonprofit corporation, including the National Rural Utilities Cooperative Finance Corporation, engaged primarily in commercial lending, if the Board determines that such nonprofit corporation has one or more issues of outstanding long-term debt that is rated within the highest three rating categories of a nationally recognized statistical rating organization;

[(ii) if the loan is provided by a lender described in clause (i)(II) and the Board determines that the making of the loan by such lender will cause a decline in such lender's debt rating as described in that clause, the Board at its discretion may disapprove the loan guarantee on this basis;

[(iii) no loan may be made for purposes of this Act by a governmental entity or affiliate thereof, or by the Federal Agricultural Mortgage Corporation, or any institution supervised by the Federal Housing Finance Agency, or any affiliate of such entities;

[(iv) any loan must have terms, in the judgment of the Board, that are consistent in material respects with the terms of similar obligations in the private capital market;

[(v) for purposes of clause (i)(I)(bb), the term "net equity" means the value of the total assets of the entity, less the total liabilities of the entity, as recorded under generally accepted accounting principles for the fiscal quarter ended immediately prior to the date on which the subject loan is approved;

[(E) repayment of the loan is required to be made within a term of the lesser of—

[(i) 25 years from the date of the execution of the loan; or

[(ii) the economically useful life, as determined by the Board or in consultation with persons or entities deemed appropriate by the Board, of the primary assets to be used in the delivery of the signals concerned; and

[(F) the loan meets any additional criteria developed under subsection (g).

[(3) PROTECTION OF UNITED STATES FINANCIAL INTERESTS.—The Board may not approve the guarantee of a loan under this Act unless—

[(A) the Board has been given documentation, assurances, and access to information, persons, and entities necessary, as determined by the Board, to address issues relevant to the review of the loan by the Board for purposes of this Act; and

[(B) the Board makes a determination in writing that—

[(i) to the best of its knowledge upon due inquiry, the assets, facilities, or equipment covered by the loan will be utilized economically and efficiently;

[(ii) the terms, conditions, security, and schedule and amount of repayments of principal and the payment of interest with respect to the loan protect the financial interests of the United States and are reasonable;

[(iii) the value of collateral provided by an applicant is at least equal to the unpaid balance of the loan amount covered by the loan guarantee (the “Amount” for purposes of this clause); and if the value of collateral provided by an applicant is less than the Amount, the additional required collateral is provided by any affiliate of the applicant;

[(iv) all necessary and required regulatory and other approvals, spectrum licenses, and delivery permissions have been received for the loan and the project under the loan;

[(v) the loan would not be available on reasonable terms and conditions without a loan guarantee under this Act; and

[(vi) repayment of the loan can reasonably be expected.

[(e) CONSIDERATIONS.—

[(1) TYPE OF MARKET.—

[(A) PRIORITY CONSIDERATIONS.—To the maximum extent practicable, the Board shall give priority in the approval of loan guarantees under this Act in the following order:

[(i) First, to projects that will serve households in nonserved areas. In considering such projects, the Board shall balance projects that will serve the largest number of households with projects that will serve remote, isolated communities (including noncontiguous States) in areas that are unlikely to be served through market mechanisms.

[(ii) Second, to projects that will serve households in underserved areas. In considering such projects, the Board shall balance projects that will serve the largest number of households with projects that will serve remote, isolated communities (including noncontiguous States) in areas that are unlikely to be served through market mechanisms.

Within each category, the Board shall consider the project's estimated cost per household and shall give priority to those projects that provide the highest quality service at the lowest cost per household.

[(B) ADDITIONAL CONSIDERATION.—The Board should give additional consideration to projects that also provide high-speed Internet service.

[(C) PROHIBITIONS.—The Board may not approve a loan guarantee under this Act for a project that—

[(i) is designed primarily to serve one or more of the top 40 designated market areas (as that term is defined in section 122(j) of title 17, United States Code); or

[(ii) would alter or remove National Weather Service warnings from local broadcast signals.

[(2) OTHER CONSIDERATIONS.—The Board shall consider other factors, which shall include projects that would—

[(A) offer a separate tier of local broadcast signals, but for applicable Federal, State, or local laws or regulations;

[(B) provide lower projected costs to consumers of such separate tier; and

[(C) enable the delivery of local broadcast signals consistent with the purpose of this Act by a means reasonably compatible with existing systems or devices predominantly in use.

[(3) FURTHER CONSIDERATION.—In implementing this Act, the Board shall support the use of loan guarantees for projects that would serve households not likely to be served in the absence of loan guarantees under this Act.

[(f) GUARANTEE LIMITS.—

[(1) LIMITATION ON AGGREGATE VALUE OF LOANS.—The aggregate value of all loans for which loan guarantees are issued under this Act (including the unguaranteed portion of such loans) may not exceed \$1,250,000,000.

[(2) GUARANTEE LEVEL.—A loan guarantee issued under this Act may not exceed an amount equal to 80 percent of a loan meeting in its entirety the requirements of subsection (d)(2)(A). If only a portion of a loan meets the requirements of that subsection, the Board shall determine that percentage of the loan meeting such requirements (the “applicable portion”) and may issue a loan guarantee in an amount not exceeding 80 percent of the applicable portion.

[(g) UNDERWRITING CRITERIA.—Within the period provided for under subsection (b)(1), the Board shall, in consultation with the Director of the Office of Management and Budget and an independent public accounting firm, develop underwriting criteria relating to the guarantee of loans that are consistent with the purpose of this Act, including appropriate collateral and cash flow levels for

loans guaranteed under this Act, and such other matters as the Board considers appropriate.

[(h) CREDIT RISK PREMIUMS.—

[(1) ESTABLISHMENT AND ACCEPTANCE.—

[(A) IN GENERAL.—The Board may establish and approve the acceptance of credit risk premiums with respect to a loan guarantee under this Act in order to cover the cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of the loan guarantee.

[(B) AUTHORITY LIMITED BY APPROPRIATIONS ACTS.—Credit risk premiums under this subsection shall be imposed only to the extent provided for in advance in appropriations Acts. To the extent that appropriations of budget authority are insufficient to cover the cost, as so defined, of a loan guarantee under this Act, credit risk premiums shall be accepted from a non-Federal source under this subsection on behalf of the applicant for the loan guarantee.

[(2) CREDIT RISK PREMIUM AMOUNT.—

[(A) IN GENERAL.—The Board shall determine the amount of any credit risk premium to be accepted with respect to a loan guarantee under this Act on the basis of—

[(i) the financial and economic circumstances of the applicant for the loan guarantee, including the amount of collateral offered;

[(ii) the proposed schedule of loan disbursements;

[(iii) the business plans of the applicant for providing service;

[(iv) any financial commitment from a broadcast signal provider; and

[(v) the concurrence of the Director of the Office of Management and Budget as to the amount of the credit risk premium.

[(B) PROPORTIONALITY.—To the extent that appropriations of budget authority are sufficient to cover the cost, as determined under section 502(5) of the Federal Credit Reform Act of 1990, of loan guarantees under this Act, the credit risk premium with respect to each loan guarantee shall be reduced proportionately.

[(C) PAYMENT OF PREMIUMS.—Credit risk premiums under this subsection shall be paid to an account (the “Escrow Account”) established in the Treasury which shall accrue interest and such interest shall be retained by the account, subject to subparagraph (D).

[(D) DEDUCTIONS FROM ESCROW ACCOUNT.—If a default occurs with respect to any loan guaranteed under this Act and the default is not cured in accordance with the terms of the underlying loan or loan guarantee agreement, the Administrator, in accordance with subsections (i) and (j) of section 1005, shall liquidate, or shall cause to be liquidated, all assets collateralizing such loan as to which it has a lien or security interest. Any shortfall between the proceeds of the liquidation net of costs and expenses relating to the liquidation, and the guarantee amount paid pursuant to this Act shall be deducted from funds in the Es-

crow Account and credited to the Administrator for payment of such shortfall. At such time as determined under subsection (d)(2)(E) of this section when all loans guaranteed under this Act have been repaid or otherwise satisfied in accordance with this Act and the regulations promulgated hereunder, remaining funds in the Escrow Account, if any, shall be refunded, on a pro rata basis, to applicants whose loans guaranteed under this Act were not in default, or where any default was cured in accordance with the terms of the underlying loan or loan guarantee agreement.

[(i) LIMITATIONS ON GUARANTEES FOR CERTAIN CABLE OPERATORS.—Notwithstanding any other provision of this Act, no loan guarantee under this Act may be granted or used to provide funds for a project that upgrades or enhances the services provided over any cable system, nor for a project that extends the services provided by a cable operator, or its successor or assignee, over any cable system to an area that, as of the date of enactment of this Act, is covered by a cable franchise agreement that obligates a cable system operator to serve such area.

[(j) JUDICIAL REVIEW.—The decision of the Board to approve or disapprove the making of a loan guarantee under this Act shall not be subject to judicial review.

[(k) APPLICABILITY OF APA.—Except as otherwise provided in subsection (j), the provisions of subchapter II of chapter 5 and chapter 7 of title 5, United States Code (commonly referred to as the Administrative Procedure Act), shall apply to actions taken under this Act.

[SEC. 1005. ADMINISTRATION OF LOAN GUARANTEES.

[(a) IN GENERAL.—The Administrator of the Rural Utilities Service (in this Act referred to as the “Administrator”) shall issue and otherwise administer loan guarantees that have been approved by the Board in accordance with sections 1003 and 1004.

[(b) SECURITY FOR PROTECTION OF UNITED STATES FINANCIAL INTERESTS.—

[(1) TERMS AND CONDITIONS.—An applicant shall agree to such terms and conditions as are satisfactory, in the judgment of the Board, to ensure that, as long as any principal or interest is due and payable on a loan guaranteed under this Act, the applicant—

[(A) shall maintain assets, equipment, facilities, and operations on a continuing basis;

[(B) shall not make any discretionary dividend payments that impair its ability to repay obligations guaranteed under this Act;

[(C) shall remain sufficiently capitalized; and

[(D) shall submit to, and cooperate fully with, any audit of the applicant under section 1006(a)(2).

[(2) COLLATERAL.—

[(A) EXISTENCE OF ADEQUATE COLLATERAL.—An applicant shall provide the Board such documentation as is necessary, in the judgment of the Board, to provide satisfactory evidence that appropriate and adequate collateral secures a loan guaranteed under this Act.

[(B) FORM OF COLLATERAL.—Collateral required by subparagraph (A) shall consist solely of assets of the applicant, any affiliate of the applicant, or both (whichever the Board considers appropriate), including primary assets to be used in the delivery of signals for which the loan is guaranteed.

[(C) REVIEW OF VALUATION.—The value of collateral securing a loan guaranteed under this Act may be reviewed by the Board, and may be adjusted downward by the Board if the Board reasonably believes such adjustment is appropriate.

[(3) LIEN ON INTERESTS IN ASSETS.—Upon the Board's approval of a loan guarantee under this Act, the Administrator shall have liens on assets securing the loan, which shall be superior to all other liens on such assets, and the value of the assets (based on a determination satisfactory to the Board) subject to the liens shall be at least equal to the unpaid balance of the loan amount covered by the loan guarantee, or that value approved by the Board under section 1004(d)(3)(B)(iii).

[(4) PERFECTED SECURITY INTEREST.—With respect to a loan guaranteed under this Act, the Administrator and the lender shall have a perfected security interest in assets securing the loan that are fully sufficient to protect the financial interests of the United States and the lender.

[(5) INSURANCE.—In accordance with practices in the private capital market, as determined by the Board, the applicant for a loan guarantee under this Act shall obtain, at its expense, insurance sufficient to protect the financial interests of the United States, as determined by the Board.

[(c) ASSIGNMENT OF LOAN GUARANTEES.—The holder of a loan guarantee under this Act may assign the loan guaranteed under this Act in whole or in part, subject to such requirements as the Board may prescribe.

[(d) EXPIRATION OF LOAN GUARANTEE UPON STRIPPING.—Notwithstanding subsections (c), (e), and (h), a loan guarantee under this Act shall have no force or effect if any part of the guaranteed portion of the loan is transferred separate and apart from the unguaranteed portion of the loan.

[(e) ADJUSTMENT.—The Board may approve the adjustment of any term or condition of a loan guarantee or a loan guaranteed under this Act, including the rate of interest, time of payment of principal or interest, or security requirements only if—

[(1) the adjustment is consistent with the financial interests of the United States;

[(2) consent has been obtained from the parties to the loan agreement;

[(3) the adjustment is consistent with the underwriting criteria developed under section 1004(g);

[(4) the adjustment does not adversely affect the interest of the Federal Government in the assets or collateral of the applicant;

[(5) the adjustment does not adversely affect the ability of the applicant to repay the loan; and

[(6) the National Telecommunications and Information Administration has been consulted by the Board regarding the adjustment.

[(f) PERFORMANCE SCHEDULES.—

[(1) PERFORMANCE SCHEDULES.—An applicant for a loan guarantee under this Act for a project covered by section 4(e)(1) shall enter into stipulated performance schedules with the Administrator with respect to the signals to be provided through the project.

[(2) PENALTY.—The Administrator may assess against and collect from an applicant described in paragraph (1) a penalty not to exceed three times the interest due on the guaranteed loan of the applicant under this Act if the applicant fails to meet its stipulated performance schedule under that paragraph.

[(g) COMPLIANCE.—The Administrator, in cooperation with the Board and as the regulations of the Board may provide, shall enforce compliance by an applicant, and any other party to a loan guarantee for whose benefit assistance under this Act is intended, with the provisions of this Act, any regulations under this Act, and the terms and conditions of the loan guarantee, including through the submittal of such reports and documents as the Board may require in regulations prescribed by the Board and through regular periodic inspections and audits.

[(h) COMMERCIAL VALIDITY.—A loan guarantee under this Act shall be incontestable—

[(1) in the hands of an applicant on whose behalf the loan guarantee is made, unless the applicant engaged in fraud or misrepresentation in securing the loan guarantee; and

[(2) as to any person or entity (or their respective successor in interest) who makes or contracts to make a loan to the applicant for the loan guarantee in reliance thereon, unless such person or entity (or respective successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

[(i) DEFAULTS.—The Board shall prescribe regulations governing defaults on loans guaranteed under this Act, including the administration of the payment of guaranteed amounts upon default.

[(j) RECOVERY OF PAYMENTS.—

[(1) IN GENERAL.—The Administrator shall be entitled to recover from an applicant for a loan guarantee under this Act the amount of any payment made to the holder of the guarantee with respect to the loan.

[(2) SUBROGATION.—Upon making a payment described in paragraph (1), the Administrator shall be subrogated to all rights of the party to whom the payment is made with respect to the guarantee which was the basis for the payment.

[(3) DISPOSITION OF PROPERTY.—

[(A) SALE OR DISPOSAL.—The Administrator shall, in an orderly and efficient manner, sell or otherwise dispose of any property or other interests obtained under this Act in a manner that maximizes taxpayer return and is consistent with the financial interests of the United States.

[(B) MAINTENANCE.—The Administrator shall maintain in a cost-effective and reasonable manner any property or

other interests pending sale or disposal of such property or other interests under subparagraph (A).

[(k) ACTION AGAINST OBLIGOR.—

[(1) AUTHORITY TO BRING CIVIL ACTION.—The Administrator may bring a civil action in an appropriate district court of the United States in the name of the United States or of the holder of the obligation in the event of a default on a loan guaranteed under this Act. The holder of a loan guarantee shall make available to the Administrator all records and evidence necessary to prosecute the civil action.

[(2) FULLY SATISFYING OBLIGATIONS OWED THE UNITED STATES.—The Administrator may accept property in satisfaction of any sums owed the United States as a result of a default on a loan guaranteed under this Act, but only to the extent that any cash accepted by the Administrator is not sufficient to satisfy fully the sums owed as a result of the default.

[(l) BREACH OF CONDITIONS.—The Administrator shall commence a civil action in a court of appropriate jurisdiction to enjoin any activity which the Board finds is in violation of this Act, the regulations under this Act, or any conditions which were duly agreed to, and to secure any other appropriate relief, including relief against any affiliate of the applicant.

[(m) ATTACHMENT.—No attachment or execution may be issued against the Administrator or any property in the control of the Administrator pursuant to this Act before the entry of a final judgment (as to which all rights of appeal have expired) by a Federal, State, or other court of competent jurisdiction against the Administrator in a proceeding for such action.

[(n) FEES.—

[(1) APPLICATION FEE.—The Board shall charge and collect from an applicant for a loan guarantee under this Act a fee to cover the cost of the Board in making necessary determinations and findings with respect to the loan guarantee application under this Act. The amount of the fee shall be reasonable.

[(2) LOAN GUARANTEE ORIGINATION FEE.—The Board shall charge, and the Administrator may collect, a loan guarantee origination fee with respect to the issuance of a loan guarantee under this Act.

[(3) USE OF FEES COLLECTED.—

[(A) IN GENERAL.—Any fee collected under this subsection shall be used, subject to subparagraph (B), to offset administrative costs under this Act, including costs of the Board and of the Administrator.

[(B) SUBJECT TO APPROPRIATIONS.—The authority provided by this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

[(C) LIMITATION ON FEES.—The aggregate amount of fees imposed by this subsection shall not exceed the actual amount of administrative costs under this Act.

[(o) REQUIREMENTS RELATING TO AFFILIATES.—

[(1) INDEMNIFICATION.—The United States shall be indemnified by any affiliate (acceptable to the Board) of an applicant for a loan guarantee under this Act for any losses that the United States incurs as a result of—

[(A) a judgment against the applicant or any of its affiliates;

[(B) any breach by the applicant or any of its affiliates of their obligations under the loan guarantee agreement;

[(C) any violation of the provisions of this Act, and the regulations prescribed under this Act, by the applicant or any of its affiliates;

[(D) any penalties incurred by the applicant or any of its affiliates for any reason, including violation of a stipulated performance schedule under subsection (f); and

[(E) any other circumstances that the Board considers appropriate.

[(2) LIMITATION ON TRANSFER OF LOAN PROCEEDS.—An applicant for a loan guarantee under this Act may not transfer any part of the proceeds of the loan to an affiliate.

[(p) EFFECT OF BANKRUPTCY.—

[(1) Notwithstanding any other provision of law, whenever any person or entity is indebted to the United States as a result of any loan guarantee issued under this Act and such person or entity is insolvent or is a debtor in a case under title 11, United States Code, the debts due to the United States shall be satisfied first.

[(2) A discharge in bankruptcy under title 11, United States Code, shall not release a person or entity from an obligation to the United States in connection with a loan guarantee under this Act.

[SEC. 1006. ANNUAL AUDIT.

[(a) REQUIREMENT.—The Comptroller General of the United States shall conduct on an annual basis an audit of—

[(1) the administration of the provisions of this Act; and

[(2) the financial position of each applicant who receives a loan guarantee under this Act, including the nature, amount, and purpose of investments made by the applicant.

[(b) REPORT.—The Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives a report on each audit conducted under subsection (a).

[SEC. 1007. IMPROVED CELLULAR SERVICE IN RURAL AREAS.

[(a) REINSTATEMENT OF APPLICANTS AS TENTATIVE SELECTEES.—

[(1) IN GENERAL.—Notwithstanding the order of the Federal Communications Commission in the proceeding described in paragraph (3), the Commission shall—

[(A) reinstate each applicant as a tentative selectee under the covered rural service area licensing proceeding; and

[(B) permit each applicant to amend its application, to the extent necessary to update factual information and to comply with the rules of the Commission, at any time before the Commission's final licensing action in the covered rural service area licensing proceeding.

[(2) EXEMPTION FROM PETITIONS TO DENY.—For purposes of the amended applications filed pursuant to paragraph (1)(B),

the provisions of section 309(d)(1) of the Communications Act of 1934 (47 U.S.C. 309(d)(1)) shall not apply.

[(3) PROCEEDING.—The proceeding described in this paragraph is the proceeding of the Commission In re Applications of Cellwave Telephone Services L.P., Futurewave General Partners L.P., and Great Western Cellular Partners, 7 FCC Rcd No. 19 (1992).

[(b) CONTINUATION OF LICENSE PROCEEDING; FEE ASSESSMENT.—

[(1) AWARD OF LICENSES.—The Commission shall award licenses under the covered rural service area licensing proceeding within 90 days after the date of the enactment of this Act.

[(2) SERVICE REQUIREMENTS.—The Commission shall provide that, as a condition of an applicant receiving a license pursuant to the covered rural service area licensing proceeding, the applicant shall provide cellular radiotelephone service to subscribers in accordance with sections 22.946 and 22.947 of the Commission's rules (47 CFR 22.946, 22.947); except that the time period applicable under section 22.947 of the Commission's rules (or any successor rule) to the applicants identified in subparagraphs (A) and (B) of subsection (d)(1) shall be 3 years rather than 5 years and the waiver authority of the Commission shall apply to such 3-year period.

[(3) CALCULATION OF LICENSE FEE.—

[(A) FEE REQUIRED.—The Commission shall establish a fee for each of the licenses under the covered rural service area licensing proceeding. In determining the amount of the fee, the Commission shall consider—

[(i) the average price paid per person served in the Commission's Cellular Unserved Auction (Auction No. 12); and

[(ii) the settlement payments required to be paid by the permittees pursuant to the consent decree set forth in the Commission's order, In re the Tellesis Partners (7 FCC Rcd 3168 (1992)), multiplying such payments by two.

[(B) NOTICE OF FEE.—Within 30 days after the date an applicant files the amended application permitted by subsection (a)(1)(B), the Commission shall notify each applicant of the fee established for the license associated with its application.

[(4) PAYMENT FOR LICENSES.—No later than 18 months after the date that an applicant is granted a license, each applicant shall pay to the Commission the fee established pursuant to paragraph (3) for the license granted to the applicant under paragraph (1).

[(5) AUCTION AUTHORITY.—If, after the amendment of an application pursuant to subsection (a)(1)(B), the Commission finds that the applicant is ineligible for grant of a license to provide cellular radiotelephone services for a rural service area or the applicant does not meet the requirements under paragraph (2) of this subsection, the Commission shall grant the license for which the applicant is the tentative selectee (pursuant to subsection (a)(1)(B) by competitive bidding pursuant to

section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)).

[(c) PROHIBITION OF TRANSFER.—During the 5-year period that begins on the date that an applicant is granted any license pursuant to subsection (a), the Commission may not authorize the transfer or assignment of that license under section 310 of the Communications Act of 1934 (47 U.S.C. 310). Nothing in this Act may be construed to prohibit any applicant granted a license pursuant to subsection (a) from contracting with other licensees to improve cellular telephone service.

[(d) DEFINITIONS.—For the purposes of this section, the following definitions shall apply:

[(1) APPLICANT.—The term “applicant” means—

[(A) Great Western Cellular Partners, a California general partnership chosen by the Commission as tentative selectee for RSA #492 on May 4, 1989;

[(B) Monroe Telephone Services L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #370 on August 24, 1989 (formerly Cellwave Telephone Services L.P.); and

[(C) FutureWave General Partners L.P., a Delaware limited partnership chosen by the Commission as tentative selectee for RSA #615 on May 25, 1990.

[(2) COMMISSION.—The term “Commission” means the Federal Communications Commission.

[(3) COVERED RURAL SERVICE AREA LICENSING PROCEEDING.—The term “covered rural service area licensing proceeding” means the proceeding of the Commission for the grant of cellular radiotelephone licenses for rural service areas #492 (Minnesota 11), #370 (Florida 11), and #615 (Pennsylvania 4).

[(4) TENTATIVE SELECTEE.—The term “tentative selectee” means a party that has been selected by the Commission under a licensing proceeding for grant of a license, but has not yet been granted the license because the Commission has not yet determined whether the party is qualified under the Commission’s rules for grant of the license.]

SEC. [1008.] 1001. TECHNICAL AMENDMENT.

Section 339(c) of the Communications Act of 1934 (47 U.S.C. 339(c)) is amended by adding at the end the following new paragraph:

“(5) DEFINITION.—Notwithstanding subsection (d)(4), for purposes of paragraphs (2) and (4) of this subsection, the term ‘satellite carrier’ includes a distributor (as defined in section 119(d)(1) of title 17, United States Code), but only if the satellite distributor’s relationship with the subscriber includes billing, collection, service activation, and service deactivation.”.

[SEC. 1009. SUNSET.

[No loan guarantee may be approved under this Act after December 31, 2006.

[SEC. 1010. DEFINITIONS.

[In this Act:

[(1) AFFILIATE.—The term “affiliate”—

[(A) means any person or entity that controls, or is controlled by, or is under common control with, another person or entity; and

[(B) may include any individual who is a director or senior management officer of an affiliate, a shareholder controlling more than 25 percent of the voting securities of an affiliate, or more than 25 percent of the ownership interest in an affiliate not organized in stock form.

[(2) NONSERVED AREA.—The term “nonserved area” means any area that—

[(A) is outside the grade B contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

[(B) does not have access to such signals by any commercial, for profit, multichannel video provider.

[(3) UNDERSERVED AREA.—The term “underserved area” means any area that—

[(A) is outside the grade A contour (as determined using standards employed by the Federal Communications Commission) of the local television broadcast signals serving a particular designated market area; and

[(B) has access to local television broadcast signals from not more than one commercial, for-profit multichannel video provider.

[(4) COMMON TERMS.—Except as provided in paragraphs (1) through (3), any term used in this Act that is defined in the Communications Act of 1934 (47 U.S.C. 151 et seq.) has the meaning given that term in the Communications Act of 1934.

[SEC. 1011. AUTHORIZATIONS OF APPROPRIATIONS.

[(a) COST OF LOAN GUARANTEES.—

[(1) AUTHORIZATION OF APPROPRIATIONS.—For the cost of the loans guaranteed under this Act, including the cost of modifying the loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661(a)), there are authorized to be appropriated for fiscal years 2001 through 2006, such amounts as may be necessary.

[(2) COMMODITY CREDIT CORPORATION FUNDS.—

[(A) IN GENERAL.—Notwithstanding any other provision of law, subject to subparagraph (B), in addition to amounts made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available for loan guarantees to carry out this title \$80,000,000 for the period beginning on the date of enactment of this paragraph and ending on December 31, 2006, to remain available until expended.

[(B) BROADBAND LOANS AND LOAN GUARANTEES.—

[(i) IN GENERAL.—Amounts made available under subparagraph (A) that are not obligated as of the release date described in clause (ii) shall be available to the Secretary to make loans and loan guarantees under section 601 of the Rural Electrification Act of 1936.

[(ii) RELEASE DATE.—For purposes of clause (i), the release date is the date that is the earlier of—

[(I) the date the Secretary determines that at least 75 percent of the designated market areas (as defined in section 122(j) of title 17, United States Code) not in the top 40 designated market areas described in section 1004(e)(1)(C)(i) of the Launching Our Communities' Access to Local Television Act of 2000 (47 U.S.C. 1103(e)(1)(C)(i)) have access to local television broadcast signals for virtually all households (as determined by the Secretary); or

[(II) December 31, 2006.

[(C) ADVANCED APPROPRIATIONS.—Subsections (c) and (h)(1)(B) of section 1004 and section 1005(n)(3)(B) shall not apply to amounts made available under this paragraph.

[(b) COST OF ADMINISTRATION.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, other than to cover costs under subsection (a).

[(c) AVAILABILITY.—Any amounts appropriated pursuant to the authorizations of appropriations in subsections (a) and (b) shall remain available until expended.

[SEC. 1012. PREVENTION OF INTERFERENCE TO DIRECT BROADCAST SATELLITE SERVICES.

[(a) TESTING FOR HARMFUL INTERFERENCE.—The Federal Communications Commission shall provide for an independent technical demonstration of any terrestrial service technology proposed by any entity that has filed an application to provide terrestrial service in the direct broadcast satellite frequency band to determine whether the terrestrial service technology proposed to be provided by that entity will cause harmful interference to any direct broadcast satellite service.

[(b) TECHNICAL DEMONSTRATION.—In order to satisfy the requirement of subsection (a) for any pending application, the Commission shall select an engineering firm or other qualified entity independent of any interested party based on a recommendation made by the Institute of Electrical and Electronics Engineers (IEEE), or a similar independent professional organization, to perform the technical demonstration or analysis. The demonstration shall be concluded within 60 days after the date of enactment of this Act and shall be subject to public notice and comment for not more than 30 days thereafter.

[(c) DEFINITIONS.—As used in this section:

[(1) DIRECT BROADCAST SATELLITE FREQUENCY BAND.—The term “direct broadcast satellite frequency band” means the band of frequencies at 12.2 to 12.7 gigahertz.

[(2) DIRECT BROADCAST SATELLITE SERVICE.—The term “direct broadcast satellite service” means any direct broadcast satellite system operating in the direct broadcast satellite frequency band.]

**AGRICULTURAL RESEARCH, EXTENSION, AND
EDUCATION REFORM ACT OF 1998**

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TITLE IV—NEW AGRICULTURAL RE- SEARCH, EXTENSION, AND EDU- CATION INITIATIVES

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SEC. 405. NATIONAL FOOD SAFETY TRAINING, EDUCATION, EXTEN- SION, OUTREACH, AND TECHNICAL ASSISTANCE PRO- GRAM.

(a) **IN GENERAL.**—The Secretary shall award grants under this section to carry out the competitive grant program established under section 1011(d) of the Federal Food, Drug, and Cosmetic Act, pursuant to any memoranda of understanding entered into under such section.

(b) **INTEGRATED APPROACH.**—The grant program described under subsection (a) shall be carried out under this section in a manner that facilitates the integration of food safety standards and guidance with the variety of agricultural production systems, encompassing conventional, sustainable, organic, and conservation and environmental practices.

(c) **PRIORITY.**—In awarding grants under this section, the Secretary shall give priority to projects that target small and medium-sized farms, beginning farmers, socially disadvantaged farmers, small processors, or small fresh fruit and vegetable merchant wholesalers.

(d) **PROGRAM COORDINATION.**—

(1) **IN GENERAL.**—The Secretary shall coordinate implementation of the grant program under this section with the National Integrated Food Safety Initiative.

(2) **INTERACTION.**—The Secretary shall—

(A) in carrying out the grant program under this section, take into consideration applied research, education, and extension results obtained from the National Integrated Food Safety Initiative; and

(B) in determining the applied research agenda for the National Integrated Food Safety Initiative, take into consideration the needs articulated by participants in projects funded by the program under this section.

(e) **GRANTS.**—

(1) **IN GENERAL.**—In carrying out this section, the Secretary shall make competitive grants to support training, education, extension, outreach, and technical assistance projects that will help improve public health by increasing the understanding and adoption of established food safety standards, guidance, and protocols.

(2) **ENCOURAGED FEATURES.**—The Secretary shall encourage projects carried out using grant funds under this section to include co-management of food safety, conservation systems, and ecological health.

[(3) **MAXIMUM TERM AND SIZE OF GRANT.**—

[(A) **IN GENERAL.**—A grant under this section shall have a term that is not more than 3 years.

[(B) **LIMITATION ON GRANT FUNDING.**—The Secretary may not provide grant funding to an entity under this sec-

tion after such entity has received 3 years of grant funding under this section.】

(3) *TERM OF GRANT.*—A grant under this section shall have a term that is not more than 3 years.

(f) **GRANT ELIGIBILITY.**—

(1) **IN GENERAL.**—To be eligible for a grant under this section, an entity shall be—

(A) a State cooperative extension service;

(B) a Federal, State, local, or tribal agency, a nonprofit community-based or non-governmental organization, or an organization representing owners and operators of farms, small food processors, or small fruit and vegetable merchant wholesalers that has a commitment to public health and expertise in administering programs that contribute to food safety;

(C) an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))) or a foundation maintained by an institution of higher education;

(D) a collaboration of 2 or more eligible entities described in this subsection; or

(E) such other appropriate entity, as determined by the Secretary.

(2) **MULTISTATE PARTNERSHIPS.**—Grants under this section may be made for projects involving more than 1 State.

(g) **REGIONAL BALANCE.**—In making grants under this section, the Secretary shall, to the maximum extent practicable, ensure—

(1) geographic diversity; and

(2) diversity of types of agricultural production.

(h) **TECHNICAL ASSISTANCE.**—The Secretary may use funds made available under this section to provide technical assistance to grant recipients to further the purposes of this section.

(i) **BEST PRACTICES AND MODEL PROGRAMS.**—Based on evaluations of, and responses arising from, projects funded under this section, the Secretary may issue a set of recommended best practices and models for food safety training programs for agricultural producers, small food processors, and small fresh fruit and vegetable merchant wholesalers.

(j) **AUTHORIZATION OF APPROPRIATIONS.**—For the purposes of making grants under this section, there are authorized to be appropriated such sums as may be necessary for fiscal years [2011 through 2015] 2019 through 2023.

SEC. 406. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

(a) **PURPOSE.**—It is the purpose of this section to authorize the Secretary of Agriculture to establish an integrated research, education, and extension competitive grant program to provide funding for integrated, multifunctional agricultural research, extension, and education activities.

(b) **COMPETITIVE GRANTS AUTHORIZED.**—Subject to the availability of appropriations to carry out this section, the Secretary may award grants to colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)), 1994 Institutions, and Hispanic-serving agricultural colleges and universities on a competi-

tive basis for integrated agricultural research, education, and extension projects in accordance with this section.

(c) **CRITERIA FOR GRANTS.**—Grants under this section shall be awarded to address priorities in United States agriculture, determined by the Secretary in consultation with the Advisory Board, that involve integrated research, extension, and education activities.

(d) **TERM OF GRANT.**—A grant under this section shall have a term of not more than 5 years.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through ~~2018~~ 2023.

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SEC. 408. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

(a) **RESEARCH GRANTS AUTHORIZED.**—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by *Fusarium graminearum* and related fungi (referred to in this section as “wheat scab”) or by *Tilletia indica* and related fungi (referred to in this section as “Karnal bunt”).

(b) **RESEARCH COMPONENTS.**—Funds provided under this section shall be available for the following collaborative, multi-State research activities:

(1) Identification and understanding of the epidemiology of wheat scab or of Karnal bunt, and the toxicological properties of vomitoxin, a toxic metabolite commonly occurring in wheat, triticale, and barley infected with wheat scab.

(2) Development of crop management strategies to reduce the risk of wheat scab or Karnal bunt occurrence.

(3) Development of—

(A) efficient and accurate methods to monitor wheat, triticale, and barley for the presence of Karnal bunt or of wheat scab and resulting vomitoxin contamination;

(B) post-harvest management techniques for wheat, triticale, and barley infected with wheat scab or with Karnal bunt; and

(C) milling and food processing techniques to render wheat scab contaminated grain safe.

(4) Strengthening and expansion of plant-breeding activities to enhance the resistance of wheat, triticale, and barley to wheat scab and to Karnal bunt, including the establishment of a regional advanced breeding material evaluation nursery and a germplasm introduction and evaluation system.

(5) Development and deployment of alternative fungicide application systems and formulations to control wheat scab and Karnal bunt and consideration of other chemical control strategies to assist farmers until new more resistant wheat, triticale, and barley varieties are available.

(c) **COMMUNICATIONS NETWORKS.**—Funds provided under this section shall be available for efforts to concentrate, integrate, and

disseminate research, extension, and outreach-orientated information regarding wheat scab or Karnal bunt.

(d) **MANAGEMENT.**—To oversee the use of a grant made under this section, the Secretary may establish a committee composed of the directors of the agricultural experiment stations in the States in which land-grant colleges and universities that are members of the consortium are located.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section—

(1) such sums as may be necessary for each of fiscal years 1999 through 2013; and

(2) \$10,000,000 for each of fiscal years 2014 through **2018** 2023.

SEC. 410. GRANTS FOR YOUTH ORGANIZATIONS.

(a) **IN GENERAL.**—The Secretary, acting through the Director of the National Institute of Food and Agriculture, shall make grants to the Girl Scouts of the United States of America, the Boy Scouts of America, the National 4–H Council, and the National FFA Organization to establish pilot projects to expand the programs carried out by the organizations in rural areas and small towns (including, with respect to the National 4–H Council, activities provided for in Public Law 107–19 (115 Stat. 153)).

(b) **FLEXIBILITY.**—The Secretary shall provide maximum flexibility in content delivery to each organization receiving funds under this section so as to ensure that the unique goals of each organization, as well as the local community needs, are fully met.

(c) **REDISTRIBUTION OF FUNDING WITHIN ORGANIZATIONS AUTHORIZED.**—Recipients of funds under this section may redistribute all or part of the funds received to individual councils or local chapters within the councils without further need of approval from the Secretary.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

(2) \$3,000,000 for each of fiscal years 2014 through **2018** 2023.

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SEC. 412. SPECIALTY CROP RESEARCH INITIATIVE.

(a) **DEFINITIONS.**—In this section:

(1) **CITRUS DISEASE SUBCOMMITTEE.**—The term “citrus disease subcommittee” means the subcommittee established under section 1408A(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

(2) **INITIATIVE.**—The term “Initiative” means the specialty crop research and extension initiative established by subsection (b).

(3) **SPECIALTY CROP.**—The term “specialty crop” has the meaning given that term in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465).

(4) **SPECIALTY CROPS COMMITTEE.**—The term “specialty crops committee” means the committee established under section

1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a).

(b) ESTABLISHMENT.—There is established within the Department a specialty crop research and extension initiative to address the critical needs of the specialty crop industry by developing and disseminating science-based tools to address needs of specific crops and their regions, including—

(1) research in plant breeding, genetics, genomics, and other methods to improve crop characteristics, such as—

(A) product, taste, quality, and appearance;

(B) environmental responses and tolerances;

(C) nutrient management, including plant nutrient uptake efficiency;

(D) pest and disease management, including resistance to pests and diseases resulting in reduced application management strategies【; and】;

(E) enhanced phytonutrient content; and

(F) *size-controlling rootstock systems for perennial crops*;

(2) efforts to identify and address threats from pests and diseases, 【including threats to specialty crop pollinators;】 *including—*

(A) *threats to specialty crop pollinators; and*

(B) *emerging and invasive species*;

(3) efforts to improve production efficiency, handling and processing, productivity, and profitability over the long term (including specialty crop policy and 【marketing;】 *marketing*) and a better understanding of the soil rhizosphere microbiome, *including—*

(A) *pesticide application systems and certified drift-reduction technologies; and*

(B) *systems to improve and extend storage life of specialty crops*;

(4) *efforts to promote a more effective understanding and use of existing natural enemy complexes*;

【(4)】 (5) new innovations and technology, 【including improved mechanization and technologies that delay or inhibit ripening; and】 *including—*

(A) *technologies that delay or inhibit ripening*;

(B) *mechanization and automation of labor-intensive tasks on farms and in packing facilities*;

(C) *decision support systems driven by phenology and environmental factors*;

(D) *improved monitoring systems for agricultural pests*; and

(E) *effective systems for pre- and post-harvest management of quarantine pests*; and

【(5)】 (6) methods to prevent, detect, monitor, control, and respond to potential food safety hazards in the production and processing of specialty crops, including fresh produce.

(c) ELIGIBLE ENTITIES.—The Secretary may carry out this section through—

(1) Federal agencies;

(2) national laboratories;

(3) colleges and universities;

(4) research institutions and organizations;

- (5) private organizations or corporations;
 - (6) State agricultural experiment stations;
 - (7) individuals; or
 - (8) groups consisting of 2 or more entities described in paragraphs (1) through (7).
- (d) REVIEW OF PROPOSALS.—In carrying out this section, the Secretary shall award competitive grants on the basis of—
- (1) a scientific peer review conducted by a panel of subject matter experts from Federal agencies, non-Federal entities, and the specialty crop industry; and
 - (2) a review and ranking for merit, relevance, and impact conducted by a panel of specialty crop industry representatives for the specific specialty crop.
- (e) CONSULTATION.—Each fiscal year, before conducting the scientific peer review described in paragraph (1) of subsection (d) and the merit and relevancy review described in paragraph (2) of such subsection, the Secretary shall consult with the specialty crops committee regarding such reviews. The committee shall provide the Secretary—
- (1) in the first fiscal year in which that consultation occurs, any recommendations for conducting such reviews in such fiscal year; and
 - (2) in any subsequent fiscal year in which such consultation occurs—
 - (A) an assessment of the procedures and objectives used by the Secretary for such reviews in the previous fiscal year;
 - (B) any recommendations for such reviews for the current fiscal year; and
 - (C) any comments on grants awarded under subsection (d) during the previous fiscal year.
- (f) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—
- (1) the results of the consultations with the specialty crops committee (and subcommittees thereof) conducted under subsection (e) of this section and subsection (g) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a);
 - (2) the specialty crops committee's (and subcommittees thereof) recommendations, if any, provided to the Secretary during such consultations; and
 - (3) the specialty crops committee's (and subcommittees thereof) review of the grants awarded under subsection (d) and (j), as applicable, in the previous fiscal year.
- (g) ADMINISTRATION.—
- (1) IN GENERAL.—With respect to grants awarded under this section, the Secretary shall seek and accept proposals for grants.
 - (2) TERM.—The term of a grant under this section may not exceed 10 years.
 - (3) OTHER CONDITIONS.—The Secretary may set such other conditions on the award of a grant under the Initiative as the Secretary determines to be appropriate.

(h) PRIORITIES.—In making grants under the Initiative, the Secretary shall provide a higher priority to projects that—

- (1) are multistate, multi-institutional, or multidisciplinary; and
- (2) include explicit mechanisms to communicate results to producers and the public.

(i) BUILDINGS AND FACILITIES.—Funds made available under this section shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement, and architect fees).

(j) EMERGENCY CITRUS DISEASE RESEARCH AND EXTENSION PROGRAM.—

(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a competitive research and extension grant program to combat diseases of citrus under which the Secretary awards competitive grants to eligible entities—

(A) to conduct scientific research and extension activities, technical assistance, and development activities to combat citrus diseases and pests, both domestic and invasive, which pose imminent harm to the United States citrus production and threaten the future viability of the citrus industry, including *huanglongbing* and the Asian Citrus Psyllid; and

(B) to provide support for the dissemination and commercialization of relevant information, techniques, and technologies discovered pursuant to research and extension activities funded through—

- (i) the emergency citrus disease research and extension program; or
- (ii) other research and extension projects intended to solve problems caused by citrus production diseases and invasive pests.

(2) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to grants that address the research and extension priorities established pursuant to subsection (g)(4) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a).

(3) COORDINATION.—When developing the proposed research and extension agenda and budget under subsection (g)(2) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) for the funds made available under this subsection for a fiscal year, the citrus disease subcommittee shall—

(A) seek input from Federal and State agencies and other entities involved in citrus disease response; and

(B) take into account other public and private citrus-related research and extension projects and the funding for such projects.

(4) NONDUPLICATION.—The Secretary shall ensure that funds made available to carry out the emergency citrus disease research and extension activities under this subsection shall be in addition to and not supplant funds made available to carry

out other citrus disease activities carried out by the Department of Agriculture in consultation with State agencies.

(5) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts reserved under subsection (k)(1)(C), there are authorized to be appropriated to carry out this subsection, \$25,000,000 for each of fiscal years 2014 through [2018] 2023.

(6) DEFINITIONS.—In this subsection:

(A) CITRUS.—The term “citrus” means edible fruit of the family Rutaceae, including any hybrid of such fruits and products of such hybrids that are produced for commercial purposes in the United States.

(B) CITRUS PRODUCER.—The term “citrus producer” means any person that is engaged in the domestic production and commercial sale of citrus in the United States.

(C) EMERGENCY CITRUS DISEASE RESEARCH AND EXTENSION PROGRAM.—The term “emergency citrus disease research and extension program” means the emergency citrus research and extension grant program established under this subsection.

(k) FUNDING.—

(1) MANDATORY FUNDING.—

(A) FISCAL YEARS 2008 THROUGH 2012.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$30,000,000 for fiscal year 2008 and \$50,000,000 for each of fiscal years 2009 through 2012, from which activities under each of paragraphs (1) through (5) of subsection (b) shall be allocated not less than 10 percent.

(B) SUBSEQUENT FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section \$80,000,000 for fiscal year 2014 and each fiscal year thereafter.

(C) RESERVATION.—For each of fiscal years 2014 through [2018] 2023, the Secretary shall reserve not less than \$25,000,000 of the funds made available under subparagraph (B) to carry out the program established under subsection (j).

(D) AVAILABILITY OF FUNDS.—Funds reserved under subparagraph (C) shall remain available and reserved for the purpose described in such subparagraph until expended.

(2) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2014 THROUGH [2018] 2023.—In addition to funds made available under paragraph (1), there is authorized to be appropriated to carry out this section \$100,000,000 for each of fiscal years 2014 through [2018] 2023.

(3) FISCAL YEAR 2013.—There is authorized to be appropriated to carry out this section \$100,000,000 for fiscal year 2013.

(4) TRANSFER.—Of the funds made available to the Secretary under paragraph (1) for fiscal year 2008 and authorized for use for payment of administrative expenses under section 1469(a)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3315(a)(3)), the Secretary shall transfer, upon the date of enactment of this section, \$200,000 to the Office of Prevention, Pesticides, and Toxic

Substances of the Environmental Protection Agency for use in conducting a meta-analysis relating to methyl bromide.

(5) AVAILABILITY.—Funds made available pursuant to this subsection for a fiscal year shall remain available until expended to pay for obligations incurred in that fiscal year.

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TITLE VI—MISCELLANEOUS PROVISIONS

Subtitle A—Existing Authorities

* * * * *

SEC. 604. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

(a) CONTINUATION OF PROGRAM.—The Secretary of Agriculture shall continue operation of the Food Animal Residue Avoidance Database program (referred to in this section as the “FARAD program”) through contracts, grants, or cooperative agreements with appropriate colleges or universities.

(b) ACTIVITIES.—In carrying out the FARAD program, the Secretary shall—

(1) provide livestock producers, extension specialists, scientists, and veterinarians with information to prevent drug, pesticide, and environmental contaminant residues in food animal products;

(2) maintain up-to-date information concerning—

(A) withdrawal times on FDA-approved food animal drugs and appropriate withdrawal intervals for drugs used in food animals in the United States, as established under section 512(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(a));

(B) official tolerances for drugs and pesticides in tissues, eggs, and milk;

(C) descriptions and sensitivities of rapid screening tests for detecting residues in tissues, eggs, and milk; and

(D) data on the distribution and fate of chemicals in food animals;

(3) publish periodically a compilation of food animal drugs approved by the Food and Drug Administration;

(4) make information on food animal drugs available to the public through handbooks and other literature, computer software, a telephone hotline, and the Internet;

(5) furnish producer quality-assurance programs with up-to-date data on approved drugs;

(6) maintain a comprehensive and up-to-date, residue avoidance database;

(7) provide professional advice for determining the withdrawal times necessary for food safety in the use of drugs in food animals; and

(8) engage in other activities designed to promote food safety.

(c) CONTRACT, GRANTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall offer to enter into a contract, grant, or cooperative agreement with 1 or more appropriate colleges and universities to

operate the FARAD program. The term of the contract, grant, or cooperative agreement shall be 3 years, with options to extend the term of the contract triennially.

(d) **INDIRECT COSTS.**—Federal funds provided by the Secretary under a contract, grant, or cooperative agreement under this section shall be subject to reduction for indirect costs of the recipient of the funds in an amount not to exceed 19 percent of the total Federal funds provided under the contract, grant, or cooperative agreement.

(e) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to any other funds available to carry out subsection (c), there is authorized to be appropriated to carry out this section \$2,500,000 for each of fiscal years 2008 through ~~2018~~ 2023.

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Subtitle B—New Authorities

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SEC. 614. OFFICE OF PEST MANAGEMENT POLICY.

(a) **PURPOSE.**—The purpose of this section is to establish an Office of Pest Management Policy to provide for the effective coordination of agricultural policies and activities within the Department of Agriculture related to pesticides and of the development and use of pest management tools, while taking into account the effects of regulatory actions of other government agencies.

(b) **ESTABLISHMENT OF OFFICE; PRINCIPAL RESPONSIBILITIES.**—The Secretary of Agriculture shall establish in the Department an Office of Pest Management Policy, which shall be responsible for—

(1) the development and coordination of Department policy on pest management and pesticides;

(2) the coordination of activities and services of the Department, including research, extension, and education activities, regarding the development, availability, and use of economically and environmentally sound pest management tools and practices;

(3) assisting other agencies of the Department in fulfilling their responsibilities related to pest management or pesticides under the Food Quality Protection Act of 1996 (Public Law 104–170; 110 Stat. 1489), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), and other applicable laws; and

(4) performing such other functions as may be required by law or prescribed by the Secretary.

(c) **INTERAGENCY COORDINATION.**—In support of its responsibilities under subsection (b), the Office of Pest Management Policy shall provide leadership to ensure coordination of interagency activities with the Environmental Protection Agency, the Food and Drug Administration, and other Federal and State agencies.

(d) **OUTREACH.**—The Office of Pest Management Policy shall consult with agricultural producers that may be affected by pest management or pesticide-related activities or actions of the Department or other agencies as necessary in carrying out the Office's responsibilities under this section.

(e) DIRECTOR.—The Office of Pest Management Policy shall be under the direction of a Director appointed by the Secretary, who shall report directly to the Secretary or a designee of the Secretary.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

(2) \$3,000,000 for each of fiscal years 2014 through ~~2018~~ 2023.

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SEC. 617. FORESTRY PRODUCTS ADVANCED UTILIZATION RESEARCH.

(a) ESTABLISHMENT.—The Secretary shall establish a forestry and forestry products research and extension initiative to develop and disseminate science-based tools that address the needs of the forestry sector and their respective regions, forest and timberland owners and managers, and forestry products engineering, manufacturing, and related interests.

(b) ACTIVITIES.—The initiative described in subsection (a) shall include the following activities:

(1) Research conducted for purposes of—

(A) wood quality improvement with respect to lumber strength and grade yield;

(B) the development of novel engineered lumber products and renewable energy from wood; and

(C) enhancing the longevity, sustainability, and profitability of timberland through sound management and utilization.

(2) Demonstration activities and technology transfer to demonstrate the beneficial characteristics of wood as a green building material, including investments in life cycle assessment for wood products.

(3) Projects designed to improve—

(A) forestry products, lumber, and evaluation standards and valuation techniques;

(B) lumber quality and value-based, on-forest management techniques; and

(C) forestry products conversion and manufacturing efficiency, productivity, and profitability over the long term (including forestry product marketing).

(c) GRANTS.—

(1) IN GENERAL.—The Secretary shall make competitive grants to carry out the activities described in subsection (b).

(2) PRIORITIES.—In making grants under this section, the Secretary shall give higher priority to activities that are carried out by entities that—

(A) are multistate, multiinstitutional, or multidisciplinary;

(B) have explicit mechanisms to communicate results to producers, forestry industry stakeholders, policymakers, and the public; and

(C) have—

(i) extensive history and demonstrated experience in forestry and forestry products research;

(ii) existing capacity in forestry products research and dissemination; and

(iii) a demonstrated means of evaluating and responding to the needs of the related commercial sector.

(3) ADMINISTRATION.—In making grants under this section, the Secretary shall follow the requirements of paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).

(4) TERM.—The term of a grant made under this section may not exceed 10 years.

(d) COORDINATION.—The Secretary shall ensure that any activities carried out under this section are carried out in coordination with the Forest Service, including the Forest Products Laboratory, and other appropriate agencies of the Department.

(e) REPORT.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate describing, for the period covered by the report—

(1) the research that has been conducted under paragraph (2) of subsection (b);

(2) the number of buildings the Forest Service has built with wood as the primary structural material; and

(3) the investments made by the Forest Service in green building and wood promotion.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$7,000,000 for each of fiscal years 2014 through [2018] 2023.

(2) MATCHING FUNDS.—To the extent practicable, the Secretary shall match any funds made available under paragraph (1) with funds made available under section 7 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.1646).

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CRITICAL AGRICULTURAL MATERIALS ACT

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SEC. 16. (a) There are authorized to be appropriated to the Secretary of Agriculture to carry out this Act—

(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

(2) \$2,000,000 for each of fiscal years 2014 through [2018] 2023.

(b) No more than 3 per centum of funds authorized under subsection (a) shall be available for administration and management of the program.

(c) Notwithstanding any other provisions of this Act the authority to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

(d) Notwithstanding any other provisions of this Act, the Secretaries and the Joint Commission shall limit their activities under

this Act to critical agricultural materials other than native latex after the close of the fiscal year ending September 30, 1988.

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EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994

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TITLE V—MISCELLANEOUS PROVISIONS

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PART C—1994 INSTITUTIONS

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§ 532. DEFINITION OF 1994 INSTITUTION.

¶ In this part, the term “1994 Institution” means any of the following colleges:

- ¶(1) Aaniiih Nakoda College.
- ¶(2) Bay Mills Community College.
- ¶(3) Blackfeet Community College.
- ¶(4) Cankdeska Cikana Community College.
- ¶(5) Chief Dull Knife College.
- ¶(6) College of Menominee Nation.
- ¶(7) College of the Muscogee Nation.
- ¶(8) D–Q University.
- ¶(9) Dine College.
- ¶(10) Fond du Lac Tribal and Community College.
- ¶(11) Fort Berthold Community College.
- ¶(12) Fort Peck Community College.
- ¶(13) Haskell Indian Nations University.
- ¶(14) Ilisagvik College.
- ¶(15) Institute of American Indian and Alaska Native Culture and Arts Development.
- ¶(16) Keweenaw Bay Ojibwa Community College.
- ¶(17) Lac Courte Oreilles Ojibwa Community College.
- ¶(18) Leech Lake Tribal College.
- ¶(19) Little Big Horn College.
- ¶(20) Little Priest Tribal College.
- ¶(21) Navajo Technical College.
- ¶(22) Nebraska Indian Community College.
- ¶(23) Northwest Indian College.
- ¶(24) Oglala Lakota College.
- ¶(25) Saginaw Chippewa Tribal College.
- ¶(26) Salish Kootenai College.
- ¶(27) Sinte Gleska University.
- ¶(28) Sisseton Wahpeton College.
- ¶(29) Sitting Bull College.
- ¶(30) Southwestern Indian Polytechnic Institute.
- ¶(31) Stone Child College.
- ¶(32) Tohono O’odham Community College.
- ¶(33) Turtle Mountain Community College.

- [(34) United Tribes Technical College.
 [(35) White Earth Tribal and Community College.]

SEC. 532. DEFINITION OF 1994 INSTITUTION.

In this part, the term "1994 Institution" means any of the following colleges:

- (1) *Aaniih Nakoda College.*
- (2) *Bay Mills Community College.*
- (3) *Blackfeet Community College.*
- (4) *Cankdeska Cikana Community College.*
- (5) *Chief Dull Knife College.*
- (6) *College of Menominee Nation.*
- (7) *College of the Muscogee Nation.*
- (8) *D-Q University.*
- (9) *Dine College.*
- (10) *Fond du Lac Tribal and Community College.*
- (11) *Fort Peck Community College.*
- (12) *Haskell Indian Nations University.*
- (13) *Ilisagvik College.*
- (14) *Institute of American Indian and Alaska Native Culture and Arts Development.*
- (15) *Keweenaw Bay Ojibwa Community College.*
- (16) *Lac Courte Oreilles Ojibwa Community College.*
- (17) *Leech Lake Tribal College.*
- (18) *Little Big Horn College.*
- (19) *Little Priest Tribal College.*
- (20) *Navajo Technical University.*
- (21) *Nebraska Indian Community College.*
- (22) *Northwest Indian College.*
- (23) *Nueta Hidatsa Sahnish College.*
- (24) *Oglala Lakota College.*
- (25) *Red Lake Nation College.*
- (26) *Saginaw Chippewa Tribal College.*
- (27) *Salish Kootenai College.*
- (28) *Sinte Gleska University.*
- (29) *Sisseton Wahpeton College.*
- (30) *Sitting Bull College.*
- (31) *Southwestern Indian Polytechnic Institute.*
- (32) *Stone Child College.*
- (33) *Tohono O'odham Community College.*
- (34) *Turtle Mountain Community College.*
- (35) *United Tribes Technical College.*
- (36) *White Earth Tribal and Community College.*

SEC. 533. LAND-GRANT STATUS FOR 1994 INSTITUTIONS.

(a) IN GENERAL.—

(1) STATUS OF 1994 INSTITUTIONS.—Except as provided in paragraph (2), 1994 Institutions shall be considered land-grant colleges established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 et seq.) (commonly known as the First Morrill Act).

(2) 1994 INSTITUTIONS.—(A) 1994 Institutions shall not be considered as land-grant colleges that are eligible to receive funding under—

(i) the Act of March 2, 1887 (24 Stat. 440, chapter 314; 7 U.S.C. 361a et seq.);

(ii) the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343), except as provided under section 3(b)(3) of such Act (as added by section 534(b)(1) of this part); or

(iii) the Act of August 30, 1890 (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.) (commonly known as the Second Morrill Act).

(B) In lieu of receiving donations under the provisions of the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 et seq.) (commonly known as the First Morrill Act), relating to the donations of public land or scrip for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, 1994 Institutions shall receive funding pursuant to the authorization under subsection (b).

(3) ACCREDITATION.—To receive funding under this section and sections 534, 535, and 536, a 1994 Institution shall certify to the Secretary that the 1994 Institution—

(A) is accredited by a nationally recognized accrediting agency or association determined by the Secretary, in consultation with the Secretary of Education, to be a reliable authority regarding the quality of training offered; or

(B) is making progress toward the accreditation, as determined by the nationally recognized accrediting agency or association.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1996 through ~~2018~~ 2023. Amounts appropriated pursuant to this section shall be held and considered to have been granted to 1994 Institutions to establish an endowment pursuant to subsection (c).

(c) ENDOWMENT.—

(1) IN GENERAL.—In accordance with this subsection, the Secretary of the Treasury shall establish a 1994 Institutions Endowment Fund (hereafter in this subsection referred to as the “endowment fund”). The Secretary may enter into such agreements as are necessary to carry out this subsection.

(2) DEPOSIT TO THE ENDOWMENT FUND.—The Secretary shall deposit in the endowment fund any—

(A) amounts made available by appropriations pursuant to subsection (b) (hereafter in this subsection referred to as the “endowment fund corpus”); and

(B) interest earned on the endowment fund corpus.

(3) INVESTMENTS.—The Secretary shall invest the endowment fund corpus and income in interest-bearing obligations of the United States.

(4) WITHDRAWALS AND EXPENDITURES.—The Secretary may not make a withdrawal or expenditure from the endowment fund corpus. On the termination of each fiscal year, the Secretary shall withdraw the amount of the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the endowment fund, distribute the adjusted income as follows:

(A) 60 percent of the adjusted income shall be distributed among the 1994 Institutions on a pro rata basis. The

proportionate share of the adjusted income received by a 1994 Institution under this subparagraph shall be based on the Indian student count (as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act, as such section was in effect on the day preceding the date of enactment of the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998) for each 1994 Institution for the fiscal year.

(B) 40 percent of the adjusted income shall be distributed in equal shares to the 1994 Institutions.

(d) MEMORANDUM OF AGREEMENT.—Not later than January 6, 1997, the Secretary shall develop and implement a formal memorandum of agreement with the 1994 Institutions to establish programs to ensure that tribally controlled colleges and Native American communities equitably participate in Department of Agriculture employment, programs, services, and resources.

* * * * *

SEC. 535. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) DEFINITIONS.—As used in this section:

(1) FEDERAL SHARE.—The term “Federal share” means, with respect to a grant awarded under subsection (b), the share of the grant that is provided from Federal funds.

(2) NON-FEDERAL SHARE.—The term “non-Federal share” means, with respect to a grant awarded under subsection (b), the matching funds paid with funds other than funds referred to in paragraph (1), as determined by the Secretary.

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(b) IN GENERAL.—

(1) INSTITUTIONAL CAPACITY BUILDING GRANTS.—For each of fiscal years 1996 through [2018] 2023, the Secretary shall make two or more institutional capacity building grants to assist 1994 Institutions with constructing, acquiring, and remodeling buildings, laboratories, and other capital facilities (including fixtures and equipment) necessary to conduct instructional activities more effectively in agriculture and sciences.

(2) REQUIREMENTS FOR GRANTS.—The Secretary shall make grants under this section—

(A) on the basis of a competitive application process under which appropriate officials of 1994 Institutions may submit applications to the Secretary in such form and manner as the Secretary may prescribe; and

(B) in such manner as to ensure geographic diversity with respect to the 1994 Institutions that are the subject of the grants.

(3) DEMONSTRATION OF NEED.—The Secretary shall require, as part of an application for a grant under this subsection, a demonstration of need. The Secretary may only award a grant under this subsection to an applicant that demonstrates a failure to obtain funding for a project after making a reasonable effort to otherwise obtain the funding.

(4) PAYMENT OF NON-FEDERAL SHARE.—A grant awarded under this subsection shall be made only if the recipient of the

grant pays a non-Federal share in an amount specified by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Department of Agriculture to carry out this section, such sums as are necessary for each of fiscal years 2002 through [2018] 2023.

SEC. 536. RESEARCH GRANTS.

(a) RESEARCH GRANTS AUTHORIZED.—The Secretary of Agriculture may make grants under this section, on the basis of a competitive application process (and in accordance with such regulations as the Secretary may promulgate), to a 1994 Institution to assist the Institution to conduct agricultural research that addresses high priority concerns of tribal, national, or multistate significance.

(b) REQUIREMENTS.—Grant applications submitted under this section shall certify that the research to be conducted will be performed under a cooperative agreement with—

(1) the Agricultural Research Service of the Department of Agriculture; or

(2) at least 1—

(A) other land-grant college or university (exclusive of another 1994 Institution);

(B) non-land-grant college of agriculture (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

(C) cooperating forestry school (as defined in that section).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through [2018] 2023. Amounts appropriated shall remain available until expended.

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RESEARCH FACILITIES ACT

* * * * *

SEC. 2. DEFINITIONS.

In this Act:

(1) AGRICULTURAL RESEARCH FACILITY.—The term “agricultural research facility” means a proposed facility for research in food and agricultural sciences for which Federal funds are requested by [a college, university, or nonprofit institution] *an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C))* to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of the facility.

(2) CONGRESSIONAL AGRICULTURE COMMITTEES.—The term “congressional agriculture committees” means the Committee on Appropriations and the Committee on Agriculture of the House of Representatives and the Committee on Appropriations and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) **FOOD AND AGRICULTURAL SCIENCES.**—The term “food and agricultural sciences” has the meaning given that term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

(4) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

SEC. 3. REVIEW PROCESS.

(a) **SUBMISSION TO SECRETARY.**—Each proposal for an agricultural research facility shall be submitted to the Secretary for review. The Secretary shall review the proposals in the order in which the proposals are received.

(b) **APPLICATION PROCESS.**—In consultation with the congressional agriculture committees, the Secretary shall establish an application process for the submission of proposals for agricultural research facilities.

(c) **CRITERIA FOR APPROVAL.**—

(1) **DETERMINATION BY SECRETARY.**—With respect to each proposal for an agricultural research facility submitted under subsection (a), the Secretary shall determine whether the proposal meets the criteria set forth in paragraph (2).

(2) **CRITERIA.**—A proposal for an agricultural research facility shall meet the following criteria:

(A) **NON-FEDERAL SHARE.**—The proposal shall certify the availability of at least a 50 percent non-Federal share of the cost of the facility. The non-Federal share shall be paid in cash and may include funding from private sources or from units of State or local government.

(B) **NONDUPLICATION OF FACILITIES.**—The proposal shall demonstrate how the agricultural research facility would be complementary to, and not duplicative of, facilities of colleges, universities, and nonprofit institutions, and facilities of the Agricultural Research Service, within the State and region.

(C) **NATIONAL RESEARCH PRIORITIES.**—The proposal shall demonstrate how the agricultural research facility would serve—

(i) 1 or more of the national research policies and priorities set forth in section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101); and

(ii) national or multistate needs.

(D) **LONG-TERM SUPPORT.**—The proposal shall demonstrate that the [recipient college, university, or nonprofit institution] *recipient entity* has the ability and commitment to support the long-term, ongoing [operating costs] *operating and maintenance costs* of—

(i) the agricultural research facility after the facility is completed; and

(ii) each program to be based at the facility.

(d) **EVALUATION OF PROPOSALS.**—Not later than 90 days after receiving a proposal under subsection (a), the Secretary shall—

(1) evaluate and assess the merits of the proposal, including the extent to which the proposal meets the criteria set forth in subsection (c); and

(2) report to the congressional agriculture committees on the results of the evaluation and assessment.

(e) NATIONAL OR MULTISTATE NEEDS SERVED BY ARS FACILITIES.—The Secretary shall ensure that each research activity conducted by a facility of the Agricultural Research Service serves a national or multistate need.

SEC. 4. COMPETITIVE GRANT PROGRAM.

The Secretary shall establish a program to make competitive grants to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities.

* * * * *

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subject to [subsection (b),] *subsections (b), (c), and (d)*, there are authorized to be appropriated such sums as are necessary for each of fiscal years 1996 through [2018] 2023 for the study, plan, design, structure, and related costs of agricultural research facilities under this Act. *Funds appropriated pursuant to the preceding sentence shall be available until expended.*

(b) ALLOWABLE ADMINISTRATIVE COSTS.—Not more than 3 percent of the funds made available for any project for an agricultural research facility shall be available for administration of the project.

(c) MAXIMUM AMOUNT.—*Not more than 25 percent of the funds made available pursuant to subsection (a) for any fiscal year shall be used for any single agricultural research facility project.*

(d) PROJECT LIMITATION.—*An entity eligible to receive funds under this Act may receive funds for only one project at a time.*

COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT

* * * * *

SEC. 2. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

(a) ESTABLISHMENT OF GRANT PROGRAM.—(1) In order to promote research in food, agriculture, and related areas, a research grants program is hereby established in the Department of Agriculture.

(2) SHORT TITLE.—This section may be cited as the “Competitive, Special, and Facilities Research Grant Act”.

(b) AGRICULTURE AND FOOD RESEARCH INITIATIVE.—

(1) ESTABLISHMENT.—There is established in the Department of Agriculture an Agriculture and Food Research Initiative under which the Secretary of Agriculture (referred to in this subsection as “the Secretary”) may make competitive grants for fundamental and applied research, extension, and education to address food and agricultural sciences (as defined under section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

(2) PRIORITY AREAS.—The competitive grants program established under this subsection shall address the following areas:

(A) PLANT HEALTH AND PRODUCTION AND PLANT PRODUCTS.—Plant systems, including—

(i) plant genome structure and function;

(ii) molecular and cellular genetics and plant biotechnology;

(iii) conventional breeding, including cultivar and breed development, selection theory, applied quantitative genetics, breeding for improved food quality, breeding for improved local adaptation to biotic stress and abiotic stress, and participatory breeding;

(iv) plant-pest interactions and biocontrol systems;

(v) crop plant response to environmental stresses;

(vi) unproved nutrient qualities of plant products; and

(vii) new food and industrial uses of plant products.

(B) ANIMAL HEALTH AND PRODUCTION AND ANIMAL PRODUCTS.—Animal systems, including—

(i) aquaculture;

(ii) cellular and molecular basis of animal reproduction, growth, disease, and health;

(iii) animal biotechnology;

(iv) conventional breeding, including breed development, selection theory, applied quantitative genetics, breeding for improved food quality, breeding for improved local adaptation to biotic stress and abiotic stress, and participatory breeding;

(v) identification of genes responsible for improved production traits and resistance to disease;

(vi) improved nutritional performance of animals;

(vii) improved nutrient qualities of animal products and uses;

(viii) the development of new and improved animal husbandry and production systems that take into account production efficiency, animal well-being, and animal systems applicable to aquaculture;

(ix) the research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for pests and diseases, including—

(I) epizootic diseases in domestic livestock (including deer, elk, bison, and other animals of the family Cervidae); and

(II) zoonotic diseases (including bovine brucellosis and bovine tuberculosis) in domestic livestock or wildlife reservoirs that present a potential concern to public health; and

(x) the identification of animal drug needs and the generation and dissemination of data for safe and effective therapeutic applications of animal drugs for minor species and minor uses of such drugs in major species.

(C) FOOD SAFETY, NUTRITION, AND HEALTH.—Nutrition, food safety and quality, and health, including—

(i) microbial contaminants and pesticides residue relating to human health;

(ii) links between diet and health;

(iii) bioavailability of nutrients;

(iv) postharvest physiology and practices; and

(v) improved processing technologies.

(D) BIOENERGY, NATURAL RESOURCES, AND ENVIRONMENT.—Natural resources and the environment, including—

- (i) fundamental structures and functions of ecosystems;
- (ii) biological and physical bases of sustainable production systems;
- (iii) soil health;*
- [(iii)]** *(iv)* minimizing soil and water losses and sustaining surface water and ground water quality;
- [(iv)]** *(v)* the effectiveness of conservation practices and technologies designed to address nutrient losses and improve water quality;
- [(v)]** *(vi)* global climate effects on agriculture;
- [(vi)]** *(vii)* forestry; and
- [(vii)]** *(viii)* biological diversity.

(E) AGRICULTURE SYSTEMS AND TECHNOLOGY.—Engineering, products, and processes, including—

- (i) new uses and new products from traditional and nontraditional crops, animals, byproducts, and natural resources;
- (ii) robotics, energy efficiency, computing, and expert systems;
- (iii) new hazard and risk assessment and mitigation measures; **[and]**
- (iv) water quality and management**【.】**; *and*
- (v) tools that accelerate the use of automation or mechanization for labor-intensive tasks in the production and distribution of crops.*

(F) AGRICULTURE ECONOMICS AND RURAL COMMUNITIES.—Markets, trade, economics, and policy, including—

- (i) strategies for entering into and being competitive in domestic and overseas markets;
- (ii) farm efficiency and profitability, including the viability and competitiveness of small and medium-sized dairy, livestock, crop and other commodity operations;
- (iii) new decision tools for farm and market systems;
- (iv) choices and applications of technology;
- (v) the economic costs, benefits, and viability of producers adopting conservation practices and technologies designed to improve water quality;
- (vi) technology assessment; **[and]**
- (vii) new approaches to rural development, including rural entrepreneurship**【.】**; *and*
- (viii) barriers and bridges to entry and farm viability for young, beginning, socially disadvantaged, veteran, and immigrant farmers and ranchers, including farm succession, transition, transfer, entry, and profitability issues.*

(3) TERM.—The term of a competitive grant made under this subsection may not exceed 10 years.

(4) GENERAL ADMINISTRATION.—In making grants under this subsection, the Secretary shall—

- (A) seek and accept proposals for grants;

(B) determine the relevance and merit of proposals through a system of peer and merit review in accordance with section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613);

(C) award grants on the basis of merit, quality, and relevance;

(D) solicit and consider input from persons who conduct or use agricultural research, extension, or education in accordance with section 102(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(b));

(E) in seeking proposals for grants under this subsection and in performing peer review evaluations of such proposals, seek the widest participation of qualified individuals in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector; and

(F) establish procedures, including timelines, under which an entity established under a commodity promotion law (as such term is defined under section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a))) or a State commodity board (or other equivalent State entity) may directly submit to the Secretary for consideration proposals for requests for applications that specifically address particular issues related to the priority areas specified in paragraph (2).

(5) ALLOCATION OF FUNDS.—In making grants under this subsection, the Secretary shall allocate funds to the Agriculture and Food Research Initiative to ensure that, of funds allocated for research activities—

(A) not less than 60 percent is made available to make grants for fundamental research (as defined in subsection (f)(1) of section 251 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971)), of which—

(i) not less than 30 percent is made available to make grants for research to be conducted by multidisciplinary teams; and

(ii) not more than 2 percent is used for equipment grants under paragraph (6)(A); **[and]**

(B) not less than 40 percent is made available to make grants for applied research (as defined in subsection (f)(1) of section 251 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971))**[.] that—**

(i) is of national scope; or

(ii) is commodity-specific, so long as any such funds allocated for commodity-specific research are matched with funds from a non-Federal source at least equal to the amount of such funds so allocated.

(6) SPECIAL CONSIDERATIONS.—In making grants under this subsection, the Secretary may assist in the development of capabilities in the agricultural, food, and environmental sciences by providing grants—

(A) to an institution to allow for the improvement of the research, development, technology transfer, and education capacity of the institution through the acquisition of spe-

cial research equipment and the improvement of agricultural education and teaching, except that the Secretary shall use not less than 25 percent of the funds made available for grants under this subparagraph to provide fellowships to outstanding pre- and post-doctoral students for research in the agricultural sciences;

(B) to a single investigator or coinvestigators who are beginning research careers and do not have an extensive research publication record, except that, to be eligible for a grant under this subparagraph, an individual shall be within 5 years of the beginning of the initial career track position of the individual;

(C) to ensure that the faculty of small, mid-sized, and minority-serving institutions who have not previously been successful in obtaining competitive grants under this subsection receive a portion of the grants;

(D) to improve research, extension, and education capabilities in States (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) in which institutions have been less successful in receiving funding under this subsection, based on a 3-year rolling average of funding levels; and

(E) to eligible entities to carry out the specific proposals submitted under procedures established under paragraph (4)(F) only if such specific proposals are consistent with a priority area specified in paragraph (2).

(7) ELIGIBLE ENTITIES.—The Secretary may make grants to carry out research, extension, and education under this subsection to—

- (A) State agricultural experiment stations;
- (B) colleges and universities;
- (C) university research foundations;
- (D) other research institutions and organizations;
- (E) Federal agencies;
- (F) national laboratories;
- (G) private organizations, foundations, or corporations;
- (H) individuals; or
- (I) any group consisting of 2 or more of the entities described in subparagraphs (A) through (H).

(8) CONSTRUCTION PROHIBITED.—Funds made available for grants under this subsection shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement, and architect fees).

(9) MATCHING FUNDS.—

(A) EQUIPMENT GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of a grant made under paragraph (6)(A), the amount provided under this subsection may not exceed 50 percent of the cost of the special research equipment or other equipment acquired using funds from the grant.

(ii) WAIVER.—The Secretary may waive all or part of the matching requirement under clause (i) in the case

of a college, university, or research foundation maintained by a college or university that ranks in the lowest $\frac{1}{3}$ of such colleges, universities, and research foundations on the basis of Federal research funds received, if the equipment to be acquired using funds from the grant costs not more than \$25,000 and has multiple uses within a single research project or is usable in more than 1 research project.

[(iii) EXEMPTION.—The matching funds requirement under section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 shall not apply in the case of a grant made under paragraph (6)(A).]

(B) CONTRIBUTION REQUIREMENT FOR COMMODITY PROMOTION GRANTS.—

(i) IN GENERAL.—Subject to [clauses (ii) and (iii)] *clause (ii)*, as a condition of funding a grant under paragraph (6)(E), the Secretary shall require that the grant be matched with an equal contribution of funds from the entities described in paragraph (4)(F) submitting proposals under procedures established under such paragraph.

(ii) AVAILABILITY OF FUNDS.—

(I) IN GENERAL.—Contributions required by clause (i) shall be available to the Secretary for obligation and remain available until expended for the purpose of making grants under paragraph (6)(E).

(II) ADMINISTRATION.—Of amounts contributed to the Secretary under clause (i), not more than 4 percent may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.

(III) RESTRICTION.—Funds contributed to the Secretary by an entity under clause (i) in connection with a proposal submitted by that entity under procedures established under paragraph (4)(F) may only be used to fund grants in connection with that proposal.

(IV) REMAINING FUNDS.—Funds contributed to the Secretary by an entity under clause (i) that remain unobligated at the time of grant closeout shall be returned to that entity.

(V) INDIRECT COSTS.—The indirect cost rate applicable to appropriated funds for a grant funded under paragraph (6)(E) shall apply to amounts contributed by an entity under clause (i).

[(iii) OTHER MATCHING FUNDS REQUIREMENTS.—The contribution requirement under clause (i) shall be in addition to any matching funds requirement for grant recipients required by section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.]

(10) PROGRAM ADMINISTRATION.—To the maximum extent practicable, the Director of the National Institute of Food and

Agriculture, in coordination with the Under Secretary for Research, Education, and Economics, shall allocate grants under this subsection to high-priority research, taking into consideration, when available, the determinations made by the National Agricultural Research, Extension, Education, and Economics Advisory Board (as established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)).

(11) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection \$700,000,000 for each of fiscal years 2008 through ~~2018~~ 2023, of which—

(i) not less than 30 percent shall be made available for integrated research pursuant to section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626); and

(ii) not more than ~~4~~ 5 percent may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.

(B) AVAILABILITY.—Funds made available under this paragraph shall—

(i) be available for obligation for a 2-year period beginning on October 1 of the fiscal year for which the funds are first made available; and

(ii) remain available until expended to pay for obligations incurred during that 2-year period.

(c) SPECIAL GRANTS.—(1) The Secretary of Agriculture may make grants, for periods not to exceed 3 years—

(A) to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research, extension, or education activities to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and

(B) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research, extension, or education programs that—

(i) promote excellence in research, extension, or education on a regional and national level;

(ii) promote the development of regional research centers;

(iii) promote the research partnership between the Department of Agriculture, colleges and universities, research foundations, and State agricultural experiment stations for regional research efforts; and

(iv) facilitate coordination and cooperation of research, extension, or education among States through regional grants.

(2) LIMITATIONS.—The Secretary may not make a grant under this subsection—

(A) for any purpose for which a grant may be made under subsection (d); or

(B) for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(3) MATCHING FUNDS.—Grants made under this subsection shall be made without regard to matching funds.

(4) SET ASIDES.—Of amounts appropriated for a fiscal year to carry out this subsection—

(A) ninety percent of such amounts shall be used for grants for regional research projects; and

(B) four percent of such amounts may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection.

(5) REVIEW REQUIREMENTS.—

(A) RESEARCH ACTIVITIES.—The Secretary shall make a grant under this subsection for a research activity only if the activity has undergone scientific peer review arranged by the grantee in accordance with regulations promulgated by the Secretary.

(B) EXTENSION AND EDUCATION ACTIVITIES.—The Secretary shall make a grant under this subsection for an extension or education activity only if the activity has undergone merit review arranged by the grantee in accordance with regulations promulgated by the Secretary.

(6) REPORTS.—

(A) IN GENERAL.—A recipient of a grant under this subsection shall submit to the Secretary on an annual basis a report describing the results of the research, extension, or education activity and the merit of the results.

(B) PUBLIC AVAILABILITY.—

(i) IN GENERAL.—Except as provided in clause (ii), on request, the Secretary shall make the report available to the public.

(ii) EXCEPTIONS.—Clause (i) shall not apply to the extent that making the report, or a part of the report, available to the public is not authorized or permitted by section 552 of title 5, United States Code, or section 1905 of title 18, United States Code.

(e) INTER-REGIONAL RESEARCH PROJECT NUMBER 4.—(1) The Secretary of Agriculture shall establish an Inter-Regional Research Project Number 4 (hereinafter referred to in this subsection as the “IR-4 Program”) to assist in the collection of residue and efficacy data in support of—

(A) the registration or reregistration of pesticides for minor agricultural use and for use on specialty crops (as defined in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note)), under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

(B) tolerances for residues of minor use chemicals in or on raw agricultural commodities under sections 408 and 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a, 348).

(2) The Secretary shall carry out the IR-4 Program in cooperation with the Administrator of the Environmental Protection Agency, State agricultural experiment stations, colleges and universities, extension services, private industry, and other interested parties.

(3) In carrying out the IR-4 Program, the Secretary shall give priority to registrations, reregistrations, and tolerances for pesticide uses related to the production of agricultural crops for food use.

(4) As part of carrying out the IR-4 Program, the Secretary shall—

(A) participate in research activities aimed at reducing residues of pesticides registered for minor agricultural use and for use on specialty crops;

(B) develop analytical techniques applicable to residues of pesticides registered for minor agricultural use, including automation techniques and validation of analytical methods;

(C) prioritize potential pest management technology for minor agricultural use and for use on specialty crops;

(D) conduct research to develop the data necessary to facilitate pesticide registrations, reregistrations, and associated tolerances;

(E) assist in removing trade barriers caused by residues of pesticides registered for minor agricultural use and for use on domestically grown specialty crops;

(F) assist in the registration and reregistration of pest management technologies for minor agricultural use and for use on specialty crops; and

(G) coordinate with other programs within the Department of Agriculture and the Environmental Protection Agency designed to develop and promote biological and other alternative control measures.

(5) The Secretary shall prepare and submit, to appropriate Committees of Congress, a report on an annual basis that contains—

(A) a listing of all registrations, reregistrations, and tolerances for which data has been collected in the preceding year;

(B) a listing of all registrations, reregistrations, and tolerances for which data collection is scheduled to occur in the following year, with an explanation of the priority system used to develop this list; and

(C) a listing of all activities the IR-4 Program has carried out pursuant to paragraph (4).

(6) The Secretary shall submit to Congress not later than November 28, 1991, a report detailing the feasibility of requiring recoupment of the costs of developing residue data for registrations, reregistrations, or tolerances under this program. Such recoupment shall only apply to those registrants which make a profit on such registration, reregistration, or tolerance subsequent to residue data development under this program. Such report shall include:

(A) an analysis of possible benefits to the IR-4 Program of such a recoupment;

(B) an analysis of the impact of such a payment on the availability of registrants to pursue registrations or reregistrations of minor use pesticides; and

(C) recommendations for implementation of such a recoupment policy.

(7) There are authorized to be appropriated \$25,000,000 for fiscal year 1991, and such sums as are necessary for subsequent fiscal years to carry out this subsection.

(f) RECORD KEEPING.—Each recipient of assistance under this section shall keep such records as the Secretary of Agriculture shall, by regulation, prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the costs of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the costs of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The Secretary of Agriculture and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this section.

(g) LIMITS ON OVERHEAD COSTS.—The Secretary of Agriculture shall limit allowable overhead costs, with respect to grants awarded under this section, to those necessary to carry out the purposes of the grants.

(h) AUTHORIZATION OF APPROPRIATIONS.—Except as otherwise provided in subsections (b) and (e), there are hereby authorized to be appropriated such sums as are necessary to carry out this section.

(i) RULES.—The Secretary of Agriculture may issue such rules and regulations as the Secretary deems necessary to carry out this section.

(j) APPLICATION OF OTHER LAWS.—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications or proposals submitted under this section.

(k) EMPHASIS ON SUSTAINABLE AGRICULTURE.—The Secretary of Agriculture shall ensure that grants made under subsections (b) and (c) are, where appropriate, consistent with the development of systems of sustainable agriculture. For purposes of this section, the term “sustainable agriculture” has the meaning given that term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

RENEWABLE RESOURCES EXTENSION ACT OF 1978

* * * * *

APPROPRIATIONS AUTHORIZATION

SEC. 6. There is authorized to be appropriated to carry out this Act \$30,000,000 for each of fiscal years 2002 through [2018] 2023. Generally, States shall be eligible for funds appropriated under this Act according to the respective capabilities of their private forests and rangelands for yielding renewable resources and relative needs

for such resources identified in the periodic Renewable Resource Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the periodic appraisal of land and water resources provided for in section 5 of the Soil and Water Resources Conservation Act of 1977.

* * * * *

EFFECTIVE DATE

SEC. 8. The provisions of this Act shall be effective for the period beginning October 1, 1978, and ending September 30, [2018] 2023.

NATIONAL AQUACULTURE ACT OF 1980

* * * * *

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 10. For purposes of carrying out the provisions of this Act, there are authorized to be appropriated—

- (1) to the Department of Agriculture, \$1,000,000 for each of fiscal years 1991 through [2018] 2023;
- (2) to the Department of Commerce, \$1,000,000 for each of fiscal years 1991 through [2018] 2023; and
- (3) to the Department of Interior, \$1,000,000 for each of fiscal years 1991 through [2018] 2023.

Funds authorized by this section shall be in addition to, and not in lieu of, funds authorized by any other Act.

* * * * *

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1985

* * * * *

TITLE XIV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

* * * * *

AUTHORIZATION FOR APPROPRIATIONS FOR FEDERAL AGRICULTURAL RESEARCH FACILITIES

SEC. 1431. There are authorized to be appropriated for each of the fiscal years 1991 through [2018] 2023, such sums as may be necessary for the planning, construction, acquisition, alternation, and repair of buildings and other public improvements, including the cost of acquiring or obtaining rights to use land, of or used by the Agricultural Research Service, except that—

- (1) the cost of planning any one facility shall not exceed \$500,000; and
- (2) the total cost of any one facility shall not exceed \$5,000,000.

* * * * *

**DISTRICT OF COLUMBIA PUBLIC POSTSECONDARY
EDUCATION REORGANIZATION ACT**

* * * * *

TITLE II—BOARD OF TRUSTEES

* * * * *

ESTABLISHMENT OF LAND-GRANT UNIVERSITY

SEC. 209. (a) In the administration of—

(1) the Act of August 30, 1890 (7 U.S.C. 321-326, 928) (known as the Second Morrill Act),

(2) the tenth paragraph under the heading "Emergency Appropriations" in the Act of March 4, 1907 (7 U.S.C. 322) (known as the Nelsen amendment),

(3) section 22 of the Act of June 29, 1935 (7 U.S.C. 329) (known as the Bankhead-Jones Act),

(4) the Act of March 4, 1940 (7 U.S.C. 331), and

(5) the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301-305, 307, 308) (known as the First Morrill Act); and the term "State" as used in the laws and provisions of law listed in the preceding paragraphs of this section shall include the District of Columbia.

(b) In the administration of the Act of May 8, 1914 (7 U.S.C. 341-346, 34721-349) (known as the Smith-Lever Act)—

(1) the University shall be considered to be a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the Act of July 2, 1862 (7 U.S.C. 301-305, 307, 308); and

(2) the term "State" as used in such Act of May 8, 1914, shall include the District of Columbia.

(c) In lieu of an authorization of appropriations for the District of Columbia under section 3(c) of such Act of May 8, 1914, there is authorized to be appropriated such sums as may be necessary to provide cooperative agricultural extension work in the District of Columbia under such Act [1], *which may be used to pay no more than one-half of the total cost of providing such extension work*. Any reference in such Act (other than section 3(c) thereof) to funds appropriated under such Act shall in the case of the District of Columbia be considered a reference to funds appropriated under this subsection.

(d) Four per centum of the sums appropriated under subsection (c) for each fiscal year shall be allotted to the Federal Extension Service of the Department of Agriculture for administrative, technical, and other services provided by the Service in carrying out the purposes of this section.

(e) Reserved.

* * * * *

SMITH-LEVER ACT

* * * * *

SEC. 3. (a) there are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

(b)(1) Out of such sums, each State and the Secretary of Agriculture shall be entitled to receive annually a sum of money equal to the sums available from Federal cooperative extension funds for the fiscal year 1962, and subject to the same requirements as to furnishing of equivalent sums by the State, except that amounts heretofore made available to the Secretary for allotment on the basis of special needs shall continue available for use on the same basis.

(2) There is authorized to be appropriated for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, \$100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending, June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

(3) There are authorized to be appropriated for the fiscal year ending June 30, 1996, and for each fiscal year thereafter, for payment on behalf of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994), such sums as are necessary for the purposes set forth in section 2. The balance of any annual funds provided under the preceding sentence for a fiscal year that remains unexpended at the end of that fiscal year shall remain available without fiscal year limitation. Such sums shall be in addition to the sums appropriated for the several States and Puerto Rico, the Virgin Islands, and Guam under the provisions of this section. Such sums shall be distributed on the basis of a competitive application process to be developed and implemented by the Secretary and paid by the Secretary to 1994 Institutions (in accordance with regulations that the Secretary may promulgate) and may be administered by the 1994 Institutions through cooperative agreements with colleges and universities eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.), or the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee University, located in any State.

(4) ANNUAL APPROPRIATION FOR HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for payments to Hispanic-serving agricultural colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) such sums as are necessary to carry out this

paragraph for fiscal year 2008 and each fiscal year thereafter, to remain available until expended.

(B) **ADDITIONAL AMOUNT.**—Amounts made available under this paragraph shall be in addition to any other amounts made available under this section to States, the Commonwealth of Puerto Rico, Guam, or the United States Virgin Islands.

(C) **ADMINISTRATION.**—Amounts made available under this paragraph shall be—

(i) distributed on the basis of a competitive application process to be developed and implemented by the Secretary;

(ii) paid by the Secretary to the State institutions established in accordance with the Act of July 2, 1862 (commonly known as the “First Morrill Act”) (7 U.S.C. 301 et seq.); and

(iii) administered by State institutions through cooperative agreements with the Hispanic-serving agricultural colleges and universities in the State in accordance with regulations promulgated by the Secretary.

(c) Any sums made available by the Congress or further development of cooperative extension work in addition to those referred to in subsection (b) hereof shall be distributed as follows:

(1) Four per centum of the sum so appropriated for each fiscal year shall be allotted to the Secretary of Agriculture for administrative, technical, and other services, and for coordinating the extension work of the Department and the several States, Territories and possessions.

(2) Of the remainder so appropriated for each fiscal year 20 per centum shall be paid to the several States in equal proportions, 40 per centum shall be paid to the several States in the proportion that the rural population of each bears to the total rural population of the several States as determined by the census, and the balance shall be paid to the several States in the proportion that the farm population of each bears to the total farm population of the several States as determined by the census. Any appropriation made hereunder shall be allotted in the first and succeeding years on the basis of the decennial census current at the time such appropriation is first made, and as to any increase, on the basis of decennial census current at the time such increase is first appropriated.

(d) The Secretary of Agriculture shall receive such amounts as Congress shall determine for administration, technical, and other services and for coordinating the extension work of the Department and the several States, Territories, and possessions. A college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, may compete for and receive funds directly from the Secretary of Agriculture.

(e) **MATCHING FUNDS.**—

(1) **REQUIREMENT.**—Except as provided in paragraph (4) and subsection (f), no allotment shall be made to a State under subsection (b) or (c), and no payments from the allotment shall be made to a State, in excess of the amount that the State makes available out of non-Federal funds for cooperative extension work.

(2) **FAILURE TO PROVIDE MATCHING FUNDS.**—If a State fails to comply with the requirement to provide matching funds for a fiscal year under paragraph (1), the Secretary of Agriculture shall withhold from payment to the State for that fiscal year an amount equal to the difference between—

(A) the amount that would be allotted and paid to the State under subsections (b) and (c) (if the full amount of matching funds were provided by the State); and

(B) the amount of matching funds actually provided by the State.

(3) **REAPPORTIONMENT.**—

(A) **IN GENERAL.**—The Secretary of Agriculture shall reapportion amounts withheld under paragraph (2) for a fiscal year among the States satisfying the matching requirement for that fiscal year.

(B) **MATCHING REQUIREMENT.**—Any reapportionment of funds under this paragraph shall be subject to the matching requirement specified in paragraph (1).

(4) **EXCEPTION FOR INSULAR AREAS.**—

(A) **IN GENERAL.**—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

(B) **WAIVERS.**—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.

(f) **MATCHING FUNDS EXCEPTION FOR 1994 INSTITUTIONS AND HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.**—There shall be no matching requirement for funds made available to a 1994 Institution or Hispanic-serving agricultural colleges and universities in accordance with paragraphs (3) and (4) of subsection (b).

(g)(1) The Secretary of Agriculture may conduct educational, instructional, demonstration, and publication distribution programs and enter into cooperative agreements with private nonprofit and profit organizations and individuals to share the cost of such programs through contributions from private sources as provided in this subsection.

(2) The Secretary may receive contributions under this subsection from private sources for the purposes described in paragraph (1) and provide matching funds in an amount not greater than 50 percent of such contributions.

(h) **MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.**—

(1) **IN GENERAL.**—Not less than the applicable percentage specified under paragraph (2) of the amounts that are paid to a State under subsections (b) and (c) during a fiscal year shall be expended by States for cooperative extension activities in which 2 or more States cooperate to solve problems that con-

cern more than 1 State (referred to in this subsection as "multistate activities").

(2) APPLICABLE PERCENTAGES.—

(A) 1997 EXPENDITURES ON MULTISTATE ACTIVITIES.—Of the Federal formula funds that were paid to each State for fiscal year 1997 under subsections (b) and (c), the Secretary of Agriculture shall determine the percentage that the State expended for multistate activities.

(B) REQUIRED EXPENDITURES ON MULTISTATE ACTIVITIES.—Of the Federal formula funds that are paid to each State for fiscal year 2000 and each subsequent fiscal year under subsections (b) and (c), the State shall expend for the fiscal year for multistate activities a percentage that is at least equal to the lesser of—

(i) 25 percent; or

(ii) twice the percentage for the State determined under subparagraph (A).

(C) REDUCTION BY SECRETARY.—The Secretary may reduce the minimum percentage required to be expended for multistate activities under subparagraph (B) by a State in a case of hardship, infeasibility, or other similar circumstance beyond the control of the State, as determined by the Secretary.

[(D) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this paragraph.]

(3) APPLICABILITY.—This subsection does not apply to funds provided—

(A) by a State or local government pursuant to a matching requirement;

(B) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note)); or

(C) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

(i) MERIT REVIEW.—

(1) REVIEW REQUIRED.—Effective October 1, 1999, extension activity carried out under subsection (h) shall be subject to merit review.

(2) OTHER REQUIREMENTS.—An extension activity for which merit review is conducted under paragraph (1) shall be considered to have satisfied the requirements for review under section 103(e) of the Agricultural Research, Extension, and Education Reform Act of 1998.

(j) INTEGRATION OF RESEARCH AND EXTENSION.—Section 3(i) of the Hatch Act of 1887 (7 U.S.C. 361c(i)) shall apply to amounts made available to carry out this Act.

SEC. 4. ASCERTAINMENT OF ENTITLEMENT OF STATE TO FUNDS; TIME AND MANNER OF PAYMENT; STATE REPORTING REQUIREMENTS; PLANS OF WORK.

(a) ASCERTAINMENT OF ENTITLEMENT.—On or about the first day of October in each year after the passage of this Act, the Secretary of Agriculture shall ascertain as to each State whether it is entitled to receive its share of the annual appropriation for cooperative ag-

ricultural extension work under this Act and the amount which it is entitled to receive. Before the funds herein provided shall become available to any college for any fiscal year, plans for the work to be carried on under this Act shall be submitted by the proper officials of each college and approved by the Secretary of Agriculture. The Secretary shall ensure that each college seeking to receive funds under this Act has in place appropriate guidelines, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college whose salaries are funded in whole or in part with such funds.

(b) TIME AND MANNER OF PAYMENT; RELATED REPORTS.—The amount to which a State is entitled shall be paid in equal quarterly payments in or about July, October, January, and April of each year to the treasurer or other officer of the State duly authorized by the laws of the State or receive the same, and such officer shall be required to report to the Secretary of Agriculture on or about the first day of April of each year, a detailed statement of the amount so received during the previous fiscal year and its disbursement, on forms prescribed by the Secretary of Agriculture.

(c) REQUIREMENTS RELATED TO PLAN OF WORK.—Each extension plan of work for a State required under subsection (a) shall contain descriptions of the following:

【(1) The critical short-term, intermediate, and long-term agricultural issues in the State and the current and planned extension programs and projects targeted to address the issues.

【(2) The process established to consult with extension users regarding the identification of critical agricultural issues in the State and the development of extension programs and projects targeted to address the issues.

【(3) The efforts made to identify and collaborate with other colleges and universities within the State, and within other States, that have a unique capacity to address the identified agricultural issues in the State and the extent of current and emerging efforts (including regional efforts) to work with those other institutions.

【(4) The manner in which research and extension, including research and extension activities funded other than through formula funds, will cooperate to address the critical issues in the State, including the activities to be carried out separately, the activities to be carried out sequentially, and the activities to be carried out jointly.

【(5) The education and outreach programs already underway to convey available research results that are pertinent to a critical agricultural issue, including efforts to encourage multi-county cooperation in the dissemination of research results.】

(1) *A summary of planned projects or programs in the State using formula funds.*

(2) *A description of the manner in which the State will meet the requirements of section 3(h).*

(3) *A description of the manner in which the State will meet the requirements of section 3(i)(2) of the Hatch Act of 1887.*

(4) *A description of matching funds provided by the State with respect to the previous fiscal year.*

(d) EXTENSION PROTOCOLS.—

(1) DEVELOPMENT.—The Secretary of Agriculture shall develop protocols to be used to evaluate the success of multistate, multi-institutional, and multidisciplinary extension activities and joint research and extension activities in addressing critical agricultural issues identified in the plans of work submitted under subsection (a).

(2) CONSULTATION.—The Secretary of Agriculture shall develop the protocols in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) and land-grant colleges and universities.

(e) TREATMENT OF PLANS OF WORK FOR OTHER PURPOSES.—To the maximum extent practicable, the Secretary shall consider a plan of work submitted under subsection (a) to satisfy other appropriate Federal reporting requirements.

(f) RELATIONSHIP TO AUDITS.—*Notwithstanding any other provision of law, the procedures established pursuant to subsection (c) shall not be subject to audit to determine the sufficiency of such procedures.*

* * * * *

HATCH ACT OF 1887

* * * * *

SEC. 3. (a) There are hereby authorized to be appropriated for the purposes of this Act such sums as Congress may from time to time determine to be necessary.

(b)(1) Out of such sums each State shall be entitled to receive annually a sum of money equal to and subject to the same requirement as to use for marketing research projects as the sums received from Federal appropriations for State agricultural experiment stations for the fiscal year 1955, except that amounts heretofore made available from the fund known as the "Regional research fund, Office of Experiment Stations" shall continue to be available for the support of cooperative regional projects as defined in subsection (c)(3), and the said fund shall be designated "Regional research fund, State agricultural experiment stations", and the Secretary of Agriculture shall be entitled to receive annually for the administration of this Act, a sum not less than that available for this purpose for the fiscal year ending June 30, 1955: *Provided*, That if the appropriations hereunder available for distribution in any fiscal year are less than those for the fiscal year 1955 the allotment to each State and the amounts for Federal administration and the regional research fund shall be reduced in proportion to the amount of such reduction.

(2) There is authorized to be appropriated for the fiscal year ending June 30, 1973, and for each year thereafter, for payment to the Virgin Islands and Guam, \$100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June

30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

(c) Any sums made available by the Congress in addition to those provided for in subsection (b) hereof for State agricultural experiment station work shall be distributed as follows:

(1) Twenty per centum shall be allotted equally to each State;

(2) Not less than 52 per centum of such sums shall be allotted to each State, as follows: One-half in an amount which bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States as determined by the last preceding decennial census current at the time each such additional sum is first appropriated; and one-half in an amount which bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States as determined by the last preceding decennial census current at the time such additional sum is first appropriated;

(3) Not less than 25 percent shall be allotted to the States for cooperative research employing multidisciplinary approaches in which a State agricultural experiment station, working with another State agricultural experiment station, the Agricultural Research Service, or a college or university, cooperates to solve problems that concern more than 1 State. The funds available under this paragraph, together with the funds available under subsection (b) for a similar purpose, shall be designated as the "Multistate Research Fund, State Agricultural Experiment Stations".

(4) Three per centum shall be available to the Secretary of Agriculture for administration of this act. These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.

(d) MATCHING FUNDS.—

(1) REQUIREMENT.—Except as provided in paragraph (4), no allotment shall be made to a State under subsection (b) or (c), and no payments from the allotment shall be made to a State, in excess of the amount that the State makes available out of non-Federal funds for agricultural research and for the establishment and maintenance of facilities for the performance of the research.

(2) FAILURE TO PROVIDE MATCHING FUNDS.—If a State fails to comply with the requirement to provide matching funds for a fiscal year under paragraph (1), the Secretary of Agriculture shall withhold from payment to the State for that fiscal year an amount equal to the difference between—

(A) the amount that would be allotted and paid to the State under subsections (b) and (c) (if the full amount of matching funds were provided by the State); and

(B) the amount of matching funds actually provided by the State.

(3) REAPPORTIONMENT.—

(A) IN GENERAL.—The Secretary of Agriculture shall reappportion amounts withheld under paragraph (2) for a fiscal year among the States satisfying the matching requirement for that fiscal year.

(B) MATCHING REQUIREMENT.—Any reappportionment of funds under this paragraph shall be subject to the matching requirement specified in paragraph (1).

(4) EXCEPTION FOR INSULAR AREAS AND THE DISTRICT OF COLUMBIA.—

(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States and the District of Columbia shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, and the District of Columbia under this section.

(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area or the District of Columbia will be unlikely to meet the matching requirement for the fiscal year.

(e) “Administration” as used in this section shall include participation in planning and coordinating cooperative regional research as defined in subsection (c)(3).

(f) In making payments to States, the Secretary of Agriculture is authorized to adjust any such payment to the nearest dollar.

(g) If in any year the amount made available by a State from its own funds (including any revenue-sharing funds) to a State agricultural experiment station is reduced because of an increase in the allotment made available under this Act, the allotment to the State agricultural experiment station from the appropriation in the next succeeding fiscal year shall be reduced in an equivalent amount. The Secretary shall reappportion the amount of such reduction to other States for use by their agricultural experiment stations.

[(h) PEER REVIEW AND PLAN OF WORK.—

[(1) PEER REVIEW.—Research carried out under subsection (c)(3) shall be subject to scientific peer review. The review of a project conducted under this paragraph shall be considered to satisfy the merit review requirements of section 103(e) of the Agricultural Research, Extension, and Education Reform Act of 1998.

[(2) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 7 a description of the manner in which the State will meet the requirements of subsection (c)(3).]

(h) PEER REVIEW.—Research carried out under subsection (c)(3) shall be subject to scientific peer review. The review of a project conducted under this subsection shall be considered to satisfy the merit review requirements of section 103(e) of the Agricultural Research, Extension, and Education Reform Act of 1998.

(i) INTEGRATION OF RESEARCH AND EXTENSION.—

(1) IN GENERAL.—Not less than the applicable percentage specified under paragraph (2) of the Federal formula funds

that are paid under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) to colleges and universities eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.), during a fiscal year shall be expended for activities that integrate cooperative research and extension (referred to in this subsection as “integrated activities”).

(2) APPLICABLE PERCENTAGES.—

(A) 1997 EXPENDITURES ON MULTISTATE ACTIVITIES.—Of the Federal formula funds that were paid to each State for fiscal year 1997 under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343), the Secretary of Agriculture shall determine the percentage that the State expended for integrated activities.

(B) REQUIRED EXPENDITURES ON MULTISTATE ACTIVITIES.—Of the Federal formula funds that are paid to each State for fiscal year 2000 and each subsequent fiscal year under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343), the State shall expend for the fiscal year for integrated activities a percentage that is at least equal to the lesser of—

(i) 25 percent; or

(ii) twice the percentage for the State determined under subparagraph (A).

(C) REDUCTION BY SECRETARY.—The Secretary of Agriculture may reduce the minimum percentage required to be expended by a State for integrated activities under subparagraph (B) in a case of hardship, infeasibility, or other similar circumstance beyond the control of the State, as determined by the Secretary.

[(D) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 7 of this Act or section 4 of the Smith-Lever Act (7 U.S.C. 344), as applicable, a description of the manner in which the State will meet the requirements of this paragraph.]

(3) APPLICABILITY.—This subsection does not apply to funds provided—

(A) by a State or local government pursuant to a matching requirement;

(B) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note)); or

(C) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

(4) RELATIONSHIP TO OTHER REQUIREMENTS.—Federal formula funds described in paragraph (1) that are used by a State for a fiscal year for integrated activities in accordance with paragraph (2)(B) may also be used to satisfy the multistate activities requirements of subsection (c)(3) of this section and section 3(h) of the Smith-Lever Act (7 U.S.C. 343(h)) for the same fiscal year.

* * * * *

SEC. 7. DUTIES OF SECRETARY; ASCERTAINMENT OF ENTITLEMENT OF STATE TO FUNDS; PLANS OF WORK.

(a) **DUTIES OF SECRETARY.**—The Secretary of Agriculture is hereby charged with the responsibility for the proper administration of this Act, and is authorized and directed to prescribe such rules and regulations as may be necessary to carry out its provisions. It shall be the duty of the Secretary to furnish such advice and assistance as will best promote the purposes of this Act, including participation in coordination of research initiated under this Act by the State agricultural experiment stations, from time to time to indicate such lines of inquiry as to him seem most important, and to encourage and assist in the establishment and maintenance of cooperation by and between the several State agricultural experiment stations, and between the stations and the United States Department of Agriculture.

(b) **ASCERTAINMENT OF ENTITLEMENT.**—On or before the first day of October in each year after the passage of this Act, the Secretary of Agriculture shall ascertain as to each State whether it is entitled to receive its share of the annual appropriations for agricultural experiment stations under this Act and the amount which thereupon each is entitled, respectively, to receive.

(c) **CARRYOVER.**—

(1) **IN GENERAL.**—The balance of any annual funds provided under this Act to a State agricultural experiment station for a fiscal year that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

(2) **FAILURE TO EXPEND FULL ALLOTMENT.**—

(A) **IN GENERAL.**—If any unexpended balance carried over by a State is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the State.

(B) **REDISTRIBUTION.**—Federal funds that are deducted under subparagraph (A) for a fiscal year shall be redistributed by the Secretary in accordance with the formula set forth in section 3(c) to those States for which no deduction under subparagraph (A) has been taken for that fiscal year.

(d) **PLAN OF WORK REQUIRED.**—Before funds may be provided to a State under this Act for any fiscal year, a plan of work to be carried out under this Act shall be submitted by the proper officials of the State and shall be approved by the Secretary of Agriculture.

(e) **REQUIREMENTS RELATED TO PLAN OF WORK.**—Each plan of work for a State required under subsection (d) shall contain descriptions of the following:

【(1) The critical short-term, intermediate, and long-term agricultural issues in the State and the current and planned research programs and projects targeted to address the issues.

【(2) The process established to consult with users of agricultural research regarding the identification of critical agricultural issues in the State and the development of research programs and projects targeted to address the issues.

【(3) The efforts made to identify and collaborate with other colleges and universities within the State, and within other

States, that have a unique capacity to address the identified agricultural issues in the State and the extent of current and emerging efforts (including regional efforts) to work with those other institutions.

【(4) The manner in which research and extension, including research and extension activities funded other than through formula funds, will cooperate to address the critical issues in the State, including the activities to be carried out separately, the activities to be carried out sequentially, and the activities to be carried out jointly.】

(1) *A summary of planned projects or programs in the State using formula funds.*

(2) *A description of the manner in which the State will meet the requirements of subsections (c)(3) and (i)(2) of section 3.*

(3) *A description of matching funds provided by the State with respect to the previous fiscal year.*

(f) RESEARCH PROTOCOLS.—

(1) DEVELOPMENT.—The Secretary of Agriculture shall develop protocols to be used to evaluate the success of multistate, multi-institutional, and multidisciplinary research activities and joint research and extension activities in addressing critical agricultural issues identified in the plans of work submitted under subsection (d).

(2) CONSULTATION.—The Secretary of Agriculture shall develop the protocols in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) and land-grant colleges and universities.

(g) TREATMENT OF PLANS OF WORK FOR OTHER PURPOSES.—To the maximum extent practicable, the Secretary shall consider a plan of work submitted under subsection (d) to satisfy other appropriate Federal reporting requirements.

(h) RELATIONSHIP TO AUDITS.—*Notwithstanding any other provision of law, the procedures established pursuant to subsection (e) shall not be subject to audit to determine the sufficiency of such procedures.*

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COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978

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SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.

(a) ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.—For a State to be eligible to receive funds under the authorities of this Act, the State forester of that State or equivalent State official shall develop and submit to the Secretary, not later than two years after the date of enactment of the Food, Conservation, and Energy Act of 2008, the following:

(1) A State-wide assessment of forest resource conditions, including—

(A) the conditions and trends of forest resources in that State;

- (B) the threats to forest lands and resources in that State consistent with the national priorities specified in section 2(c);
 - (C) any areas or regions of that State that are a priority;
 - and
 - (D) any multi-State areas that are a regional priority.
- (2) A long-term State-wide forest resource strategy, including—
- (A) strategies for addressing threats to forest resources in the State outlined in the assessment required by paragraph (1); and
 - (B) a description of the resources necessary for the State forester or equivalent State official from all sources to address the State-wide strategy.
- (b) **UPDATING.**—At such times as the Secretary determines to be necessary, the State forester or equivalent State official shall update and resubmit to the Secretary the State-wide assessment and State-wide strategy required by subsection (a).
- (c) **COORDINATION.**—In developing or updating the State-wide assessment and State-wide strategy required by subsection (a), the State Forester or equivalent State official shall coordinate with—
- (1) the State Forest Stewardship Coordinating Committee established for the State under section 19(b);
 - (2) the State wildlife agency, with respect to strategies contained in the State wildlife action plans;
 - (3) the State Technical Committee;
 - (4) applicable Federal land management agencies;
 - (5) as feasible, appropriate military installations where the voluntary participation and management of private or State-owned or other public forestland is able to support, promote, and contribute to the missions of such installations; and
 - (6) for purposes of the Forest Legacy Program under section 7, the State lead agency designated by the Governor.
- (d) **INCORPORATION OF OTHER PLANS.**—In developing or updating the State-wide assessment and State-wide strategy required by subsection (a), the State forester or equivalent State official shall incorporate any forest management plan of the State, including community wildfire protection plans and State wildlife action plans.
- (e) **SUFFICIENCY.**—Once approved by the Secretary, a State-wide assessment and State-wide strategy developed under subsection (a) shall be deemed to be sufficient to satisfy all relevant State planning and assessment requirements under this Act.
- (f) **FUNDING.**—
- (1) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section up to \$10,000,000 for each of fiscal years 2008 through **[2018]** 2023.
 - (2) **ADDITIONAL FUNDING SOURCES.**—In addition to the funds appropriated for a fiscal year pursuant to the authorization of appropriations in paragraph (1) to carry out this section, the Secretary may use any other funds made available for planning under this Act to carry out this section, except that the total amount of combined funding used to carry out this section may not exceed \$10,000,000 in any fiscal year.

(g) ANNUAL REPORT ON USE OF FUNDS.—The State forester or equivalent State official shall submit to the Secretary an annual report detailing how funds made available to the State under this Act are being used.

* * * * *

SEC. 7. FOREST LEGACY PROGRAM.

(a) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a program, to be known as the Forest Legacy Program, in cooperation with appropriate State, regional, and other units of government for the purposes of ascertaining and protecting environmentally important forest areas that are threatened by conversion to nonforest uses and, through the use of conservation easements and other mechanisms, for promoting forest land protection and other conservation opportunities. Such purposes shall also include the protection of important scenic, cultural, fish, wildlife, and recreational resources, riparian areas, and other ecological values.

(b) STATE AND REGIONAL FOREST LEGACY PROGRAMS.—The Secretary shall exercise the authority under subsection (a) in conjunction with State or regional programs that the Secretary deems consistent with this section.

(c) INTERESTS IN LAND.—In addition to the authorities granted under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), and section 11(a) of the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428a(a)), the Secretary may acquire from willing landowners lands and interests therein, including conservation easements and rights of public access, for Forest Legacy Program purposes. The Secretary shall not acquire conservation easements with title held in common ownership with any other entity.

(d) IMPLEMENTATION.—

(1) IN GENERAL.—Lands and interests therein acquired under subsection (c) may be held in perpetuity for program and easement administration purposes as the Secretary may provide. In administering lands and interests therein under the program, the Secretary shall identify the environmental values to be protected by entry of the lands into the program, management activities which are planned and the manner in which they may affect the values identified, and obtain from the landowner other information determined appropriate for administration and management purposes.

(2) INITIAL PROGRAMS.—Not later than November 28, 1991, the Secretary shall establish a regional program in furtherance of the Northern Forest Lands Study in the States of New York, New Hampshire, Vermont, and Maine under Public Law 100-446. The Secretary shall establish additional programs in each of the Northeast, Midwest, South, and Western regions of the United States, and the Pacific Northwest (including the State of Washington), on the preparation of an assessment of the need for such programs.

(e) ELIGIBILITY.—Not later than November 28, 1991, and in consultation with State Forest Stewardship Coordinating Committees established under section 19(b) and similar regional organizations, the Secretary shall establish eligibility criteria for the designation of forest areas from which lands may be entered into the Forest Legacy Program and subsequently select such appropriate areas.

To be eligible, such areas shall have significant environmental values or shall be threatened by present or future conversion to non-forest uses. Of land proposed to be included in the Forest Legacy Program, the Secretary shall give priority to lands which can be effectively protected and managed, and which have important scenic or recreational values; riparian areas; fish and wildlife values, including threatened and endangered species; or other ecological values.

(f) APPLICATION.—For areas included in the Forest Legacy Program, an owner of lands or interests in lands who wishes to participate may prepare and submit an application at such time in such form and containing such information as the Secretary may prescribe. The Secretary shall give reasonable advance notice for the submission of all applications to the State forester, equivalent State official, or other appropriate State or regional natural resource management agency. If applications exceed the ability of the Secretary to fund them, priority shall be given to those forest areas having the greatest need for protection pursuant to the criteria described in subsection (e).

(g) STATE CONSENT.—Where a State has not approved the acquisition of land under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), the Secretary shall not acquire lands or interests therein under authority granted by this section outside an area of that State designated as a part of a program established under subsection (b).

(h) FOREST MANAGEMENT ACTIVITIES.—

(1) IN GENERAL.—Conservation easements or deed reservations acquired or reserved pursuant to this section may allow forest management activities, including timber management, on areas entered in the Forest Legacy Program insofar as the Secretary deems such activities consistent with the purposes of this section.

(2) ASSIGNMENT OF RESPONSIBILITIES.—For Forest Legacy Program areas, the Secretary may delegate or assign management and enforcement responsibilities over federally owned lands and interests in lands only to another governmental entity.

(i) DUTIES OF OWNERS.—Under the terms of a conservation easement or other property interest acquired under subsection (b), the landowner shall be required to manage property in a manner that is consistent with the purposes for which the land was entered in the Forest Legacy Program and shall not convert such property to other uses. Hunting, fishing, hiking, and similar recreational uses shall not be considered inconsistent with the purposes of this program.

(j) COMPENSATION AND COST SHARING.—

(1) COMPENSATION.—The Secretary shall pay the fair market value of any property interest acquired under this section. Payments under this section shall be in accordance with Federal appraisal and acquisition standards and procedures.

(2) COST SHARING.—In accordance with terms and conditions that the Secretary shall prescribe, costs for the acquisition of lands or interests therein or project costs shall be shared among participating entities including regional organizations, State and other governmental units, landowners, corporations,

or private organizations. Such costs may include, but are not limited to, those associated with planning, administration, property acquisition, and property management. To the extent practicable, the Federal share of total program costs shall not exceed 75 percent, including any in-kind contribution.

(k) EASEMENTS.—

(1) RESERVED INTEREST DEEDS.—As used in this section, the term “conservation easement” includes an easement utilizing a reserved interest deed where the grantee acquires all rights, title, and interests in a property, except those rights, title, and interests that may run with the land that are expressly reserved by a grantor.

(2) PROHIBITIONS ON LIMITATIONS.—Notwithstanding any provision of State law, no conservation easement held by the United States or its successors or assigns under this section shall be limited in duration or scope or be defeasible by—

(A) the conservation easement being in gross or appurtenant;

(B) the management of the conservation easement having been delegated or assigned to a non-Federal entity;

(C) any requirement under State law for re-recording or renewal of the easement; or

(D) any future disestablishment of a Forest Legacy Program area or other Federal project for which the conservation easement was originally acquired.

(3) CONSTRUCTION.—Notwithstanding any provision of State law, conservation easements shall be construed to effect the Federal purposes for which they were acquired and, in interpreting their terms, there shall be no presumption favoring the conservation easement holder or fee owner.

(l) OPTIONAL STATE GRANTS.—

(1) IN GENERAL.—The Secretary shall, at the request of a participating State, provide a grant to the State to carry out the Forest Legacy Program in the State.

(2) ADMINISTRATION.—If a State elects to receive a grant under this subsection—

(A) the Secretary shall use a portion of the funds made available under subsection (m), as determined by the Secretary, to provide a grant to the State; and

(B) the State shall use the grant to carry out the Forest Legacy Program in the State, including the acquisition by the State of lands and interests in lands.

(3) TRANSFER OF FOREST LEGACY PROGRAM LAND—

(A) IN GENERAL.—Subject to any terms and conditions that the Secretary may require (including the requirements described in subparagraph (B)), the Secretary may, at the request of the State of Vermont, convey to the State, by quitclaim deed, without consideration, any land or interest in land acquired in the State under the Forest Legacy Program.

(B) REQUIREMENTS.—In conveying land or an interest in land under subparagraph (A), the Secretary may require that—

(i) the deed conveying the land or interest in land include requirements for the management of the land in a manner that—

(I) conserves the land or interest in land; and

(II) is consistent with any other Forest Legacy Program purposes for which the land or interest in land was acquired;

(ii) if the land or interest in land is subsequently sold, exchanged, or otherwise disposed of by the State of Vermont, the State shall—

(I) reimburse the Secretary in an amount that is based on the current market value of the land or interest in land in proportion to the amount of consideration paid by the United States for the land or interest in land; or

(II) convey to the Secretary land or an interest in land that is equal in value to the land or interest in land conveyed.

(C) DISPOSITION OF FUNDS.—Amounts received by the Secretary under subparagraph (B)(ii) shall be credited to the Wildland Fire Management account, to remain available until expended.

[(m) APPROPRIATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.]

(m) AUTHORIZATION OF APPROPRIATIONS.—*There are authorized to be appropriated to carry out this section \$35,000,000 for each of fiscal years 2019 through 2023.*

SEC. 7A. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term “eligible entity” means a local governmental entity, Indian tribe, or nonprofit organization that owns or acquires a parcel under the program.

(2) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) LOCAL GOVERNMENTAL ENTITY.—The term “local governmental entity” includes any municipal government, county government, or other local government body with jurisdiction over local land use decisions.

(4) NONPROFIT ORGANIZATION.—The term “nonprofit organization” means any organization that—

(A) is described in section 170(h)(3) of the Internal Revenue Code of 1986; and

(B) operates in accordance with 1 or more of the purposes specified in section 170(h)(4)(A) of that Code.

(5) PROGRAM.—The term “Program” means the community forest and open space conservation program established under subsection (b).

(6) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the “community forest and open space conservation program”.

(c) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary may award grants to eligible entities to acquire private forest land, to be owned in fee simple, that—

- (A) are threatened by conversion to nonforest uses; and
- (B) provide public benefits to communities, including—
 - (i) economic benefits through sustainable forest management;
 - (ii) environmental benefits, including clean water and wildlife habitat;
 - (iii) benefits from forest-based educational programs, including vocational education programs in forestry;
 - (iv) benefits from serving as models of effective forest stewardship for private landowners; and
 - (v) recreational benefits, including hunting and fishing.

(2) FEDERAL COST SHARE.—An eligible entity may receive a grant under the Program in an amount equal to not more than 50 percent of the cost of acquiring 1 or more parcels, as determined by the Secretary.

(3) NON-FEDERAL SHARE.—As a condition of receipt of the grant, an eligible entity that receives a grant under the Program shall provide, in cash, donation, or in kind, a non-Federal matching share in an amount that is at least equal to the amount of the grant received.

(4) APPRAISAL OF PARCELS.—To determine the non-Federal share of the cost of a parcel of privately-owned forest land under paragraph (2), an eligible entity shall require appraisals of the land that comply with the Uniform Appraisal Standards for Federal Land Acquisitions developed by the Interagency Land Acquisition Conference.

(5) APPLICATION.—An eligible entity that seeks to receive a grant under the Program shall submit to the State forester or equivalent official (or in the case of an Indian tribe, an equivalent official of the Indian tribe) an application that includes—

- (A) a description of the land to be acquired;
- (B) a forest plan that provides—
 - (i) a description of community benefits to be achieved from the acquisition of the private forest land; and
 - (ii) an explanation of the manner in which any private forest land to be acquired using funds from the grant will be managed; and
- (C) such other relevant information as the Secretary may require.

(6) EFFECT ON TRUST LAND.—

(A) INELIGIBILITY.—The Secretary shall not provide a grant under the Program for any project on land held in trust by the United States (including Indian reservations and allotment land).

(B) ACQUIRED LAND.—No land acquired using a grant provided under the Program shall be converted to land held in trust by the United States on behalf of any Indian tribe.

(7) APPLICATIONS TO SECRETARY.—The State forester or equivalent official (or in the case of an Indian tribe, an equivalent

lent official of the Indian tribe) shall submit to the Secretary a list that includes a description of each project submitted by an eligible entity at such times and in such form as the Secretary shall prescribe.

(d) DUTIES OF ELIGIBLE ENTITY.—An eligible entity shall provide public access to, and manage, forest land acquired with a grant under this section in a manner that is consistent with the purposes for which the land was acquired under the Program.

(e) PROHIBITED USES.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), an eligible entity that acquires a parcel under the Program shall not sell the parcel or convert the parcel to nonforest use.

(2) REIMBURSEMENT OF FUNDS.—An eligible entity that sells or converts to nonforest use a parcel acquired under the Program shall pay to the Federal Government an amount equal to the greater of the current sale price, or current appraised value, of the parcel.

(3) LOSS OF ELIGIBILITY.—An eligible entity that sells or converts a parcel acquired under the Program shall not be eligible for additional grants under the Program.

(f) STATE ADMINISTRATION AND TECHNICAL ASSISTANCE.—The Secretary may allocate not more than 10 percent of all funds made available to carry out the Program for each fiscal year to State foresters or equivalent officials (including equivalent officials of Indian tribes) for Program administration and technical assistance.

[(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.]

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2019 through 2023.

* * * * *

[SEC. 13A. COMPETITIVE ALLOCATION OF FUNDS TO STATE FORESTERS OR EQUIVALENT STATE OFFICIALS.

[(a) COMPETITION.—Beginning not later than 3 years after the date of the enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall competitively allocate a portion, to be determined by the Secretary, of the funds available under this Act to State foresters or equivalent State officials.

[(b) DETERMINATION.—In determining the competitive allocation of funds under subsection (a), the Secretary shall consult with the Forest Resource Coordinating Committee established by section 19(a).

[(c) PRIORITY.—The Secretary shall give priority for funding to States for which the long-term State-wide forest resource strategies submitted under section 2A(a)(2) will best promote the national priorities specified in section 2(c).]

SEC. 13A. STATE AND PRIVATE FOREST LANDSCAPE-SCALE RESTORATION PROGRAM.

(a) PURPOSE.—The purpose of this section is to establish a landscape-scale restoration program to support landscape-scale restoration and management that results in measurable improvements to public benefits derived from State and private forest land, as identified in—

- (1) a State-wide assessment described in section 2A(a)(1); and
- (2) a long-term State-wide forest resource strategy described in section 2A(a)(2).

(b) *DEFINITIONS.*—*In this section:*

(1) *PRIVATE FOREST LAND.*—*The term “private forest land” means land that—*

- (A)(i) *has existing tree cover; or*
- (ii) *is suitable for growing trees; and*
- (B) *is owned by—*

- (i) *an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)); or*

- (ii) *any private individual or entity.*

(2) *REGIONAL.*—*The term “regional” means of any region of the National Association of State Foresters.*

(3) *SECRETARY.*—*The term “Secretary” means the Secretary of Agriculture, acting through the Chief of the Forest Service.*

(4) *STATE FOREST LAND.*—*The term “State forest land” means land that is owned by a State or unit of local government.*

(5) *STATE FORESTER.*—*The term “State Forester” means a State Forester or equivalent State official.*

(c) *ESTABLISHMENT.*—*The Secretary, in consultation with State Foresters or other appropriate State agencies, shall establish a landscape-scale restoration program—*

- (1) *to provide financial and technical assistance for landscape-scale restoration projects on State forest land or private forest land; and*

- (2) *that maintains or improves benefits from trees and forests on such land.*

(d) *REQUIREMENTS.*—*The landscape-scale restoration program established under subsection (c) shall—*

- (1) *measurably address the national private forest conservation priorities described in section 2(c);*

- (2) *enhance public benefits from trees and forests, as identified in—*

- (A) *a State-wide assessment described in section 2A(a)(1); and*

- (B) *a long-term State-wide forest resource strategy described in section 2A(a)(2); and*

- (3) *in accordance with the purposes described in section 2(b), include one or more of the following objectives—*

- (A) *protecting or improving water quality or quantity;*

- (B) *reducing wildfire risk, including through hazardous fuels treatment;*

- (C) *protecting or enhancing wildlife habitat, consistent with wildlife objectives established by the applicable State fish and wildlife agency;*

- (D) *improving forest health and forest ecosystems, including addressing native, nonnative, and invasive pests; or*

- (E) *enhancing opportunities for new and existing markets in which the production and use of wood products strengthens local and regional economies.*

(e) *MEASUREMENT.*—*The Secretary, in consultation with State Foresters, shall establish a measurement system (including measurement tools) that—*

(1) consistently measures the results of landscape-scale restoration projects described in subsection (c); and

(2) is consistent with the measurement systems of other Federal programs delivered by State Foresters.

(f) USE OF AMOUNTS.—

(1) ALLOCATION.—Of the amounts made available for the landscape-scale restoration program established under subsection (c), the Secretary shall allocate to State Foresters—

(A) 50 percent for the competitive process in accordance with subsection (g); and

(B) 50 percent proportionally to States, in consultation with State Foresters—

(i) to maximize the achievement of the objectives described in subsection (d)(3); and

(ii) to address the highest national priorities, as identified in—

(I) State-wide assessments described in section 2A(a)(1); and

(II) long-term State-wide forest resource strategies described in section 2A(a)(2).

(2) MULTIYEAR PROJECTS.—The Secretary may provide amounts under this section for multiyear projects.

(g) COMPETITIVE PROCESS.—

(1) IN GENERAL.—The Secretary shall distribute amounts described in subsection (f)(1)(A) through a competitive process for landscape-scale restoration projects described in subsection (c) to maximize the achievement of the objectives described in subsection (d)(3).

(2) ELIGIBILITY.—To be eligible for funding through the competitive process under paragraph (1), a State Forester, or another entity on approval of the State Forester, shall submit to the Secretary one or more landscape-scale restoration proposals that—

(A) in accordance with paragraph (3)(A), include priorities identified in—

(i) State-wide assessments described in section 2A(a)(1); and

(ii) long-term State-wide forest resource strategies described in section 2A(a)(2);

(B) identify one or more measurable results to be achieved through the project;

(C) to the maximum extent practicable, include activities on all land necessary to accomplish the measurable results in the applicable landscape;

(D) to the maximum extent practicable, are developed in collaboration with other public and private sector organizations and local communities; and

(E) derive not less than 50 percent of the funding for the project from non-Federal sources, unless the Secretary determines—

(i) the applicant is unable to derive not less than 50 percent of the funding for the project from non-Federal sources; and

(ii) the benefits of the project justify pursuing the project.

(3) *PRIORITIZATION.*—*In carrying out the competitive process under paragraph (1), the Secretary—*

(A) *shall give priority to projects that, as determined by the Secretary, best carry out priorities identified in State-wide assessments described in section 2A(a)(1) and long-term State-wide forest resource strategies described in section 2A(a)(2), including—*

(i) *involvement of public and private partnerships;*

(ii) *inclusion of cross-boundary activities on—*

(I) *Federal forest land;*

(II) *State forest land; or*

(III) *private forest land;*

(iii) *involvement of areas also identified for cost-share funding by the Natural Resources Conservation Service or any other relevant Federal agency;*

(iv) *protection or improvement of water quality or quantity;*

(v) *reduction of wildfire risk; and*

(vi) *otherwise addressing the national private forest conservation priorities described in section 2(c); and*

(B) *may give priority to projects in proximity to other landscape-scale projects on other land under the jurisdiction of the Secretary, the Secretary of the Interior, or a Governor of a State, including—*

(i) *ecological restoration treatments under the Collaborative Forest Landscape Restoration Program established under section 4003 of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303);*

(ii) *projects on landscape-scale areas designated for insect and disease treatment under section 602 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591a);*

(iii) *authorized restoration services under section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a);*

(iv) *watershed restoration and protection services under section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (Public Law 106–291; 16 U.S.C. 1011 note);*

(v) *stewardship end result contracting projects under section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c); or*

(vi) *projects under other relevant programs, as determined by the Secretary.*

(4) *PROPOSAL REVIEW.*—

(A) *IN GENERAL.*—*The Secretary shall establish a process for the review of proposals submitted under paragraph (2) that ranks each proposal based on—*

(i) *the extent to which the proposal would achieve the requirements described in subsection (d); and*

(ii) *the priorities described in paragraph (3)(A).*

(B) *REGIONAL REVIEW.*—*The Secretary may carry out the process described in subparagraph (A) at a regional level.*

(5) *COMPLIANCE WITH NEPA.*—*Financial and technical assistance carried out under this section for landscape restoration projects on State forest land or private forest land shall not con-*

stitute a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(h) REPORT.—Not later than 3 years after the date of the enactment of the Agriculture and Nutrition Act of 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—

(1) a description of the status of the development, execution, and administration of landscape-scale projects selected under the program under this section;

(2) an accounting of expenditures under such program; and

(3) specific accomplishments that have resulted from landscape-scale projects under such program.

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary for the landscape-scale restoration program established under subsection (c) \$10,000,000 for each of fiscal years 2019 through 2023, to remain available until expended.

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HEALTHY FORESTS RESTORATION ACT OF 2003

* * * * *

**TITLE I—HAZARDOUS FUEL
REDUCTION ON FEDERAL LAND**

* * * * *

SEC. 103. PRIORITIZATION.

(a) **IN GENERAL.**—In accordance with the Implementation Plan, the Secretary shall develop an annual program of work for Federal land that gives priority to authorized hazardous fuel reduction projects that provide for the protection of at-risk communities or watersheds or that implement community wildfire protection plans.

(b) **COLLABORATION.**—

(1) **IN GENERAL.**—The Secretary shall consider recommendations under subsection (a) that are made by at-risk communities that have developed community wildfire protection plans.

(2) **EXEMPTION.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the planning process and recommendations concerning community wildfire protection plans.

(c) **ADMINISTRATION.**—

(1) **IN GENERAL.**—Federal agency involvement in developing a community wildfire protection plan, or a recommendation made in a community wildfire protection plan, shall not be considered a Federal agency action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) **COMPLIANCE.**—In implementing authorized hazardous fuel reduction projects on Federal land, the Secretary shall, in accordance with section 104, comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(d) **FUNDING ALLOCATION.**—

(1) FEDERAL LAND.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall use not less than 50 percent of the funds allocated for authorized hazardous fuel reduction projects in the wildland-urban interface.

(B) APPLICABILITY AND ALLOCATION.—The funding allocation in subparagraph (A) shall apply at the national level. The Secretary may allocate the proportion of funds differently than is required under subparagraph (A) within individual management units as appropriate, in particular to conduct authorized hazardous fuel reduction projects on land described in section 102(a)(4).

(C) WILDLAND-URBAN INTERFACE.—In the case of an authorized hazardous fuel reduction project for which a decision notice is issued during the 1-year period beginning on the date of enactment of this Act, the Secretary shall use existing definitions of the term “wildland-urban interface” rather than the definition of that term provided under section 101.

(2) NON-FEDERAL LAND.—

(A) IN GENERAL.—In providing financial assistance under any provision of law for hazardous fuel reduction projects on non-Federal land, the Secretary shall consider recommendations made by at-risk communities that have developed community wildfire protection plans.

(B) PRIORITY.—In allocating funding under this paragraph, the Secretary should, to the maximum extent practicable, give priority to communities that have adopted a community wildfire protection plan or have taken proactive measures to encourage willing property owners to reduce fire risk on private property.

(3) *CROSS-BOUNDARY CONSIDERATIONS.—For any fiscal year for which the amount appropriated to the Secretary for hazardous fuels reduction is in excess of \$300,000,000, the Secretary—*

(A) is encouraged to use the excess amounts for hazardous fuels reduction projects that incorporate cross-boundary treatments of landscapes on Federal land and non-Federal land; and

(B) may use the excess amounts to support authorized hazardous fuels reduction projects on non-Federal lands through grants to State Foresters, or equivalent State officials, in accordance with subsection (e) in an amount equal to the greater of—

(i) 20 percent of the excess amount; and

(ii) \$20,000,000.

(e) *CROSS-BOUNDARY FUELS REDUCTION PROJECTS.—*

(1) IN GENERAL.—To the maximum extent practicable, the Secretary shall use the excess funds described in subsection (d)(3) to support hazardous fuels reduction projects that incorporate treatments for hazardous fuels reduction in landscapes across ownership boundaries on Federal, State, county, or Tribal land, private land, and other non-Federal land, particularly in areas identified as priorities in applicable State-wide forest resource assessments or strategies under section 2A(a) of the Co-

operative Forestry Assistance Act of 1978 (16 U.S.C. 2101a(a)), as mutually agreed to by the State Forester and the Regional Forester.

(2) *LAND TREATMENTS.—To conduct and fund treatments for projects that include Federal and non-Federal land, the Secretary may—*

(A) *use the authorities of the Secretary relating to cooperation and technical and financial assistance, including the good neighbor authority under—*

(i) *section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a); and*

(ii) *section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (16 U.S.C. 1011 note; Public Law 106–291); and*

(B) *allocate excess funds under subsection (d)(3) for projects carried out pursuant to section 8206 of the Agricultural Act of 2014 (16 U.S.C. 2113a).*

(3) *COOPERATION.—In carrying out this subsection, the State Forester, in consultation with the Secretary (or a designee)—*

(A) *shall consult with the owners of State, county, Tribal, and private land and other non-Federal land with respect to hazardous fuels reduction projects; and*

(B) *shall not implement any project on non-Federal land without the consent of the owner of the non-Federal land.*

(4) *EXISTING LAWS.—Regardless of the individual or entity implementing a project on non-Federal land under this subsection, only the laws and regulations that apply to non-Federal land shall be applicable with respect to the project.*

* * * * *

TITLE V—HEALTHY FORESTS RESERVE PROGRAM

SEC. 501. ESTABLISHMENT OF HEALTHY FORESTS RESERVE PROGRAM.

(a) **ESTABLISHMENT.**—The Secretary of Agriculture shall establish the healthy forests reserve program for the purpose of restoring and enhancing forest ecosystems—

(1) to promote the recovery of threatened and endangered species;

(2) to improve biodiversity; **[and]**

(3) to conserve forest land that provides habitat for species described in section 502(b)(1); and

[(3)] (4) to enhance carbon sequestration.

(b) **COORDINATION.**—The Secretary of Agriculture shall carry out the healthy forests reserve program in coordination with the Secretary of the Interior and the Secretary of Commerce.

SEC. 502. ELIGIBILITY AND ENROLLMENT OF LANDS IN PROGRAM.

(a) **IN GENERAL.**—The Secretary of Agriculture, in coordination with the Secretary of the Interior and the Secretary of Commerce, shall describe and define forest ecosystems that are eligible for enrollment in the healthy forests reserve program.

[(b) ELIGIBILITY.—To be eligible for enrollment in the healthy forests reserve program, land shall be—

[(1) private land the enrollment of which will restore, enhance, or otherwise measurably increase the likelihood of recovery of a species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

[(2) private land the enrollment of which will restore, enhance, or otherwise measurably improve the well-being of species that—

[(A) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

[(B) are candidates for such listing, State-listed species, or special concern species.]

(b) *ELIGIBILITY.—To be eligible for enrollment in the healthy forests reserve program, land shall be private forest land, or private land being restored to forest land, the enrollment of which will maintain, restore, enhance, or otherwise measurably—*

(1) increase the likelihood of recovery of a species that is listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); or

(2) improve the well-being of a species that—

(A) is—

(i) not listed as endangered or threatened under such section; and

(ii) a candidate for such listing, a State-listed species, or a special concern species; or

(B) is deemed a species of greatest conservation need by a State wildlife action plan.

(c) *OTHER CONSIDERATIONS.—In enrolling land that satisfies the criteria under subsection (b), the Secretary of Agriculture shall give additional consideration to land the enrollment of which will—*

(1) improve biological diversity; [and]

(2) conserve forest lands that provide habitat for species described in subsection (b)(1); and

[(2)] (3) increase carbon sequestration.

(d) *ENROLLMENT BY WILLING OWNERS.—The Secretary of Agriculture shall enroll land in the healthy forests reserve program only with the consent of the owner of the land.*

(e) *METHODS OF ENROLLMENT.—*

(1) AUTHORIZED METHODS.—Land may be enrolled in the healthy forests reserve program in accordance with—

(A) a 10-year cost-share agreement;

(B) a 30-year easement; or

(C)(i) a permanent easement; or

(ii) in a State that imposes a maximum duration for easements, an easement for the maximum duration allowed under State law.

[(2) LIMITATION ON USE OF COST-SHARE AGREEMENTS AND EASEMENTS.—

[(A) IN GENERAL.—Of the total amount of funds expended under the program for a fiscal year to acquire easements and enter into cost-share agreements described in paragraph (1)—

[(i) not more than 40 percent shall be used for cost-share agreements described in paragraph (1)(A); and

[(ii) not more than 60 percent shall be used for easements described in subparagraphs (B) and (C) of paragraph (1).

[(B) REPOOLING.—The Secretary may use any funds allocated under clause (i) or (ii) of subparagraph (A) that are not obligated by April 1 of the fiscal year for which the funds are made available to carry out a different method of enrollment during that fiscal year.

[(3)] (2) ACREAGE OWNED BY INDIAN TRIBES.—

(A) DEFINITION OF ACREAGE OWNED BY INDIAN TRIBES.—In this paragraph, the term “acreage owned by Indian tribes” includes—

(i) land that is held in trust by the United States for Indian tribes or individual Indians;

(ii) land, the title to which is held by Indian tribes or individual Indians subject to Federal restrictions against alienation or encumbrance;

(iii) land that is subject to rights of use, occupancy, and benefit of certain Indian tribes;

(iv) land that is held in fee title by an Indian tribe; or

(v) land that is owned by a native corporation formed under section 17 of the Act of June 18, 1934 (commonly known as the “Indian Reorganization Act”) (25 U.S.C. 477) or section 8 of the Alaska Native Claims Settlement Act (43 U.S.C. 1607); or

(vi) a combination of 1 or more types of land described in clauses (i) through (v).

(B) ENROLLMENT OF ACREAGE.—In the case of acreage owned by an Indian tribe, the Secretary may enroll acreage into the healthy forests reserve program through the use of—

(i) a 30-year contract (the value of which shall be equivalent to the value of a 30-year easement);

[(ii) a 10-year cost-share agreement; or

[(iii) any combination of the options described in clauses (i) and (ii).]

(ii) a 10-year, cost-share agreement;

(iii) a permanent easement; or

(iv) any combination of the options described in clauses (i) through (iii).

(f) ENROLLMENT PRIORITY.—

(1) SPECIES.—The Secretary of Agriculture shall give priority to the enrollment of land that provides the greatest conservation benefit to—

(A) primarily, species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

[(B) secondarily, species that—

[(i) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

[(ii) are candidates for such listing, State-listed species, or special concern species.]

(B) *secondarily, species that—*

(i) *are—*

(I) *not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and*

(II) *candidates for such listing, State-listed species, or special concern species; or*

(ii) *are species of greatest conservation need, as identified in State wildlife action plans.*

(2) COST-EFFECTIVENESS.—The Secretary of Agriculture shall also consider the cost-effectiveness of each agreement or easement, and associated restoration plans, so as to maximize the environmental benefits per dollar expended.

SEC. 503. RESTORATION PLANS.

(a) IN GENERAL.—Land enrolled in the healthy forests reserve program shall be subject to a restoration plan, to be developed jointly by the landowner and the Secretary of Agriculture, in coordination with the [Secretary of Interior] *Secretary of the Interior*.

[(b) PRACTICES.—The restoration plan shall require such restoration practices as are necessary to restore and enhance habitat for—

[(1) species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

[(2) animal or plant species before the species reach threatened or endangered status, such as candidate, State-listed species, and special concern species.]

(b) PRACTICES.—*The restoration plan shall require such restoration practices and measures, as are necessary to restore and enhance habitat for species described in section 502(b), including the following:*

(1) *Land management practices.*

(2) *Vegetative treatments.*

(3) *Structural practices and measures.*

(4) *Other practices and measures.*

* * * * *

SEC. 508. FUNDING.

(a) FISCAL YEARS 2009 THROUGH 2013.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available \$9,750,000 for each of fiscal years 2009 through 2012 to carry out this title.

(b) [FISCAL YEARS 2014 THROUGH 2018] *AUTHORIZATION OF APPROPRIATIONS*.—There is authorized to be appropriated to the Secretary of Agriculture to carry out this section \$12,000,000 for each of fiscal years 2014 through [2018] 2023.

(c) ADDITIONAL SOURCE OF FUNDS.—In addition to funds appropriated pursuant to the authorization of appropriations in subsection (b) for a fiscal year, the Secretary may use such amount of the funds appropriated for that fiscal year to carry out the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.) as the Secretary determines necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land enrolled in the healthy forests reserve program pursuant to subsections (a) and (b) of section 504.

(d) DURATION OF AVAILABILITY.—The funds made available under subsection (a) shall remain available until expended.

TITLE VI—MISCELLANEOUS

* * * * *

SEC. 602. DESIGNATION OF TREATMENT AREAS.

(a) DEFINITION OF DECLINING FOREST HEALTH.—In this section, the term “declining forest health” means a forest that is experiencing—

- (1) substantially increased tree mortality due to insect or disease infestation; or
- (2) dieback due to infestation or defoliation by insects or disease.

(b) DESIGNATION OF TREATMENT AREAS.—

(1) INITIAL AREAS.—Not later than 60 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall, if requested by the Governor of the State, designate as part of an insect and disease treatment program 1 or more landscape-scale areas, such as subwatersheds (sixth-level hydrologic units, according to the System of Hydrologic Unit Codes of the United States Geological Survey), in at least 1 national forest in each State that is experiencing an insect or disease epidemic.

(2) ADDITIONAL AREAS.—After the end of the 60-day period described in paragraph (1), the Secretary may designate additional landscape-scale areas under this section as needed to address insect or disease threats.

(c) REQUIREMENTS.—To be designated a landscape-scale area under subsection (b), the area shall be—

- (1) experiencing declining forest health, based on annual forest health surveys conducted by the Secretary;
- (2) at risk of experiencing substantially increased tree mortality over the next 15 years due to insect or disease infestation, based on the most recent National Insect and Disease Risk Map published by the Forest Service; or
- (3) in an area in which the risk of hazard trees poses an imminent risk to public infrastructure, health, or safety.

(d) TREATMENT OF AREAS.—

(1) IN GENERAL.—The Secretary may carry out priority projects on Federal land in the areas designated under [subsection (b) to reduce the risk or extent of, or increase the resilience to, insect or disease infestation in the areas.] *subsection (b)*—

- (A) *to reduce the risk or extent of, or increase the resilience to, insect or disease infestation; or*
- (B) *to reduce hazardous fuels.*

(2) AUTHORITY.—Any project under paragraph (1) [for which a public notice to initiate scoping is issued on or before September 30, 2018,] may be carried out in accordance with subsections (b), (c), and (d) of section 102, and sections 104, 105, and 106.

(3) EFFECT.—Projects carried out under this subsection shall be considered authorized hazardous fuel reduction projects for purposes of the authorities described in paragraph (2).

(4) REPORT.—

(A) IN GENERAL.—In accordance with the schedule described in subparagraph (B), the Secretary shall issue 2 reports on actions taken to carry out this subsection, including—

- (i) an evaluation of the progress towards project goals; and
- (ii) recommendations for modifications to the projects and management treatments.

(B) SCHEDULE.—The Secretary shall—

- (i) not earlier than September 30, 2018, issue the initial report under subparagraph (A); and
- (ii) not earlier than September 30, 2024, issue the second report under that subparagraph.

(e) TREE RETENTION.—The Secretary shall carry out projects under subsection (d) in a manner that maximizes the retention of old-growth and large trees, as appropriate for the forest type, to the extent that the trees promote stands that are resilient to insects and disease.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2014 through 2024.

SEC. 603. ADMINISTRATIVE REVIEW.

(a) IN GENERAL.—Except as provided in subsection (d), a project described in subsection (b) that is conducted [in accordance with section 602(d)] *in accordance with section 602(d)(1)* may be—

- (1) considered an action categorically excluded from the requirements of Public Law 91–190 (42 U.S.C. 4321 et seq.); and
- (2) exempt from the special administrative review process under section 105.

(b) COLLABORATIVE RESTORATION PROJECT.—

(1) IN GENERAL.—A project referred to in subsection (a) is a project to carry out forest restoration treatments that—

(A) maximizes the retention of old-growth and large trees, as appropriate for the forest type, to the extent that the trees promote stands that are resilient to insects and disease;

(B) considers the best available scientific information to maintain or restore the ecological integrity, including maintaining or restoring structure, function, composition, and connectivity; and

(C) is developed and implemented through a collaborative process that—

(i) includes multiple interested persons representing diverse interests; and

(ii)(I) is transparent and nonexclusive; or

(II) meets the requirements for a resource advisory committee under subsections (c) through (f) of section 205 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125).

(2) INCLUSION.—A project under this subsection may carry out part of a proposal that complies with the eligibility require-

ments of the Collaborative Forest Landscape Restoration Program under section 4003(b) of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303(b)).

(c) LIMITATIONS.—

(1) PROJECT SIZE.—A project under this section may not exceed ~~3000~~ 6,000 acres.

(2) LOCATION.—A project under this section shall be limited to areas—

(A) in the wildland-urban interface; or

(B) Condition Classes 2 or 3 in ~~Fire Regime Groups I, II, or III~~ *Fire Regime I, Fire Regime II, Fire Regime III, Fire Regime IV, or Fire Regime V*, outside the wildland-urban interface.

(3) ROADS.—

(A) PERMANENT ROADS.—

(i) PROHIBITION ON ESTABLISHMENT.—A project under this section shall not include the establishment of permanent roads.

(ii) EXISTING ROADS.—The Secretary may carry out necessary maintenance and repairs on existing permanent roads for the purposes of this section.

(B) TEMPORARY ROADS.—The Secretary shall decommission any temporary road constructed under a project under this section not later than 3 years after the date on which the project is completed.

(d) EXCLUSIONS.—This section does not apply to—

(1) a component of the National Wilderness Preservation System;

(2) any Federal land on which, by Act of Congress or Presidential proclamation, the removal of vegetation is restricted or prohibited;

(3) a congressionally designated wilderness study area; or

(4) an area in which activities under subsection (a) would be inconsistent with the applicable land and resource management plan.

(e) FOREST MANAGEMENT PLANS.—All projects and activities carried out under this section shall be consistent with the land and resource management plan established under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) for the unit of the National Forest System containing the projects and activities.

(f) PUBLIC NOTICE AND SCOPING.—The Secretary shall conduct public notice and scoping for any project or action proposed in accordance with this section.

(g) ACCOUNTABILITY.—

(1) IN GENERAL.—The Secretary shall prepare an annual report on the use of categorical exclusions under this section that includes a description of all acres (or other appropriate unit) treated through projects carried out under this section.

(2) SUBMISSION.—Not later than 1 year after the date of enactment of this section, and each year thereafter, the Secretary shall submit the reports required under paragraph (1) to—

(A) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

- (B) the Committee on Environment and Public Works of the Senate;
- (C) the Committee on Agriculture of the House of Representatives;
- (D) the Committee on Natural Resources of the House of Representatives; and
- (E) the Government Accountability Office.

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NATIONAL FOREST FOUNDATION ACT

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TITLE IV—FOREST FOUNDATION

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SEC. 405. ADMINISTRATIVE SERVICES AND SUPPORT.

(a) **STARTUP FUNDS.**—For purposes of assisting the Foundation in establishing an office and meeting initial administrative, project, and other startup expenses, the Secretary is authorized to provide to the Foundation \$500,000, from funds appropriated pursuant to section 410(a), per year for the two years beginning October 1, 1992. Such funds shall remain available to the Foundation until they are expended for authorized purposes.

(b) **MATCHING FUNDS.**—In addition to the startup funds provided under subsection (a) of this section, during fiscal years 2016 through ~~2018~~ 2023, the Secretary is authorized to provide matching funds for administrative and project expenses incurred by the Foundation as authorized by section 410(b) of this title including reimbursement of expenses under section 403, not to exceed then current Federal Government per diem rates.

(c) **ADMINISTRATIVE EXPENSES.**—At any time, the Secretary may provide the Foundation use of Department of Agriculture personnel, facilities, and equipment, with partial or no reimbursement, with such limitations and on such terms and conditions as the Secretary shall establish.

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SEC. 410. AUTHORIZATION OF APPROPRIATIONS.

(a) **START-UP FUNDS.**—For the purposes of section 405 of this title, there are authorized to be appropriated \$1,000,000.

(b) **MATCHING FUNDS.**—For the purposes of section 405 of this title, there are authorized to be appropriated \$3,000,000 for each of fiscal years 2016 through ~~2018~~ 2023 to the Secretary of Agriculture to be made available to the Foundation to match, on a one-for-one basis, private contributions made to the Foundation.

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SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

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TITLE II—SPECIAL PROJECTS ON FEDERAL LAND

SEC. 201. DEFINITIONS.

In this title:

(1) **PARTICIPATING COUNTY.**—The term “participating county” means an eligible county that elects under section 102(d) to expend a portion of the Federal funds received under section 102 in accordance with this title.

(2) **PROJECT FUNDS.**—The term “project funds” means all funds an eligible county elects under section 102(d) to reserve for expenditure in accordance with this title.

(3) **RESOURCE ADVISORY COMMITTEE.**—The term “resource advisory committee” means—

(A) an advisory committee established by the Secretary concerned (*or applicable designee (as defined in section 205(c)(6))*) under section 205; or

(B) an advisory committee determined by the Secretary concerned (*or applicable designee (as defined in section 205(c)(6))*) to meet the requirements of section 205.

(4) **RESOURCE MANAGEMENT PLAN.**—The term “resource management plan” means—

(A) a land use plan prepared by the Bureau of Land Management for units of the Federal land described in section 3(7)(B) pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712); or

(B) a land and resource management plan prepared by the Forest Service for units of the National Forest System pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

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SEC. 204. EVALUATION AND APPROVAL OF PROJECTS BY SECRETARY CONCERNED.

(a) **CONDITIONS FOR APPROVAL OF PROPOSED PROJECT.**—The Secretary concerned may make a decision to approve a project submitted by a resource advisory committee under section 203 only if the proposed project satisfies each of the following conditions:

(1) The project complies with all applicable Federal laws (including regulations).

(2) The project is consistent with the applicable resource management plan and with any watershed or subsequent plan developed pursuant to the resource management plan and approved by the Secretary concerned.

(3) The project has been approved by the resource advisory committee in accordance with section 205, including the procedures issued under subsection (e) of that section.

(4) A project description has been submitted by the resource advisory committee to the Secretary concerned in accordance with section 203.

(5) The project will improve the maintenance of existing infrastructure, implement stewardship objectives that enhance forest ecosystems, and restore and improve land health and water quality.

(b) ENVIRONMENTAL REVIEWS.—

(1) REQUEST FOR PAYMENT BY COUNTY.—The Secretary concerned may request the resource advisory committee submitting a proposed project to agree to the use of project funds to pay for any environmental review, consultation, or compliance with applicable environmental laws required in connection with the project.

(2) CONDUCT OF ENVIRONMENTAL REVIEW.—If a payment is requested under paragraph (1) and the resource advisory committee agrees to the expenditure of funds for this purpose, the Secretary concerned shall conduct environmental review, consultation, or other compliance responsibilities in accordance with Federal laws (including regulations).

(3) EFFECT OF REFUSAL TO PAY.—

(A) IN GENERAL.—If a resource advisory committee does not agree to the expenditure of funds under paragraph (1), the project shall be deemed withdrawn from further consideration by the Secretary concerned pursuant to this title.

(B) EFFECT OF WITHDRAWAL.—A withdrawal under subparagraph (A) shall be deemed to be a rejection of the project for purposes of section 207(c).

(c) DECISIONS OF SECRETARY CONCERNED.—

(1) REJECTION OF PROJECTS.—

(A) IN GENERAL.—A decision by the Secretary concerned to reject a proposed project shall be at the sole discretion of the Secretary concerned.

(B) NO ADMINISTRATIVE APPEAL OR JUDICIAL REVIEW.—Notwithstanding any other provision of law, a decision by the Secretary concerned to reject a proposed project shall not be subject to administrative appeal or judicial review.

(C) NOTICE OF REJECTION.—Not later than 30 days after the date on which the Secretary concerned makes the rejection decision, the Secretary concerned shall notify in writing the resource advisory committee that submitted the proposed project of the rejection and the reasons for rejection.

(2) NOTICE OF PROJECT APPROVAL.—The Secretary concerned shall publish in the Federal Register notice of each project approved under subsection (a) if the notice would be required had the project originated with the Secretary.

(d) SOURCE AND CONDUCT OF PROJECT.—Once the Secretary concerned accepts a project for review under section 203, the acceptance shall be deemed a Federal action for all purposes.

(e) IMPLEMENTATION OF APPROVED PROJECTS.—

(1) COOPERATION.—Notwithstanding chapter 63 of title 31, United States Code, using project funds the Secretary concerned may enter into contracts, grants, and cooperative agreements with States and local governments, private and non-profit entities, and landowners and other persons to assist the Secretary in carrying out an approved project.

(2) BEST VALUE CONTRACTING.—

(A) IN GENERAL.—For any project involving a contract authorized by paragraph (1) the Secretary concerned may

elect a source for performance of the contract on a best value basis.

(B) FACTORS.—The Secretary concerned shall determine best value based on such factors as—

- (i) the technical demands and complexity of the work to be done;
- (ii)(I) the ecological objectives of the project; and
(II) the sensitivity of the resources being treated;
- (iii) the past experience by the contractor with the type of work being done, using the type of equipment proposed for the project, and meeting or exceeding desired ecological conditions; and
- (iv) the commitment of the contractor to hiring highly qualified workers and local residents.

[(f) REQUIREMENTS FOR PROJECT FUNDS.—The Secretary shall ensure that at least 50 percent of all project funds be used for projects that are primarily dedicated—

[(1) to road maintenance, decommissioning, or obliteration;

or

[(2) to restoration of streams and watersheds.]]

(f) REQUIREMENTS FOR PROJECT FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary concerned shall ensure that at least 50 percent of the project funds reserved under section 102(d) by a participating county shall be available only for projects that—

(A) include—

- (i) the sale of timber or other forest products;
- (ii) reduce fire risks; or
- (iii) improve water supplies; and

(B) implement stewardship objectives that enhance forest ecosystems or restore and improve land health and water quality.

(2) APPLICABILITY.—The requirement in paragraph (1) shall apply only to project funds reserved by a participating county whose boundaries include Federal land that the Secretary concerned determines has been subject to a timber or other forest products program within 5 fiscal years before the fiscal year in which the funds are reserved.

SEC. 205. RESOURCE ADVISORY COMMITTEES.

(a) ESTABLISHMENT AND PURPOSE OF RESOURCE ADVISORY COMMITTEES.—

(1) ESTABLISHMENT.—The Secretary concerned (*or applicable designee*) shall establish and maintain resource advisory committees to perform the duties in subsection (b), except as provided in paragraph (4).

(2) PURPOSE.—The purpose of a resource advisory committee shall be—

(A) to improve collaborative relationships; and

(B) to provide advice and recommendations to the land management agencies consistent with the purposes of this title.

(3) ACCESS TO RESOURCE ADVISORY COMMITTEES.—To ensure that each unit of Federal land has access to a resource advisory committee, and that there is sufficient interest in participation on a committee to ensure that membership can be bal-

anced in terms of the points of view represented and the functions to be performed, the Secretary concerned (*or applicable designee*) may, establish resource advisory committees for part of, or 1 or more, units of Federal land.

(4) EXISTING ADVISORY COMMITTEES.—

(A) IN GENERAL.—An advisory committee that meets the requirements of this section, a resource advisory committee established before September 29, ~~2018~~ 2023, or an advisory committee determined by the Secretary concerned (*or applicable designee*) before September 29, ~~2018~~ 2023, to meet the requirements of this section may be deemed by the Secretary concerned (*or applicable designee*) to be a resource advisory committee for the purposes of this title.

(B) CHARTER.—A charter for a committee described in subparagraph (A) that was filed on or before September 29, ~~2018~~ 2023, shall be considered to be filed for purposes of this Act.

(C) BUREAU OF LAND MANAGEMENT ADVISORY COMMITTEES.—The Secretary of the Interior may deem a resource advisory committee meeting the requirements of subpart 1784 of part 1780 of title 43, Code of Federal Regulations, as a resource advisory committee for the purposes of this title.

(b) DUTIES.—A resource advisory committee shall—

(1) review projects proposed under this title by participating counties and other persons;

(2) propose projects and funding to the Secretary concerned under section 203;

(3) provide early and continuous coordination with appropriate land management agency officials in recommending projects consistent with purposes of this Act under this title;

(4) provide frequent opportunities for citizens, organizations, tribes, land management agencies, and other interested parties to participate openly and meaningfully, beginning at the early stages of the project development process under this title;

(5)(A) monitor projects that have been approved under section 204; and

(B) advise the designated Federal official on the progress of the monitoring efforts under subparagraph (A); and

(6) make recommendations to the Secretary concerned (*or applicable designee*) for any appropriate changes or adjustments to the projects being monitored by the resource advisory committee.

(c) APPOINTMENT BY THE SECRETARY OR APPLICABLE DESIGNEE.—

(1) APPOINTMENT AND TERM.—

(A) IN GENERAL.—The Secretary concerned (*or applicable designee*), shall appoint the members of resource advisory committees for a term of 4 years beginning on the date of appointment.

(B) REAPPOINTMENT.—The Secretary concerned (*or applicable designee*) may reappoint members to subsequent 4-year terms.

(2) BASIC REQUIREMENTS.—The Secretary concerned (*or applicable designee*) shall ensure that each resource advisory

committee established meets the requirements of subsection (d).

(3) INITIAL APPOINTMENT.—Not later than 180 days after the date of the enactment of this Act, the Secretary concerned shall make initial appointments to the resource advisory committees.

(4) VACANCIES.—The Secretary concerned (*or applicable designee*) shall make appointments to fill vacancies on any resource advisory committee as soon as practicable after the vacancy has occurred.

(5) COMPENSATION.—Members of the resource advisory committees shall not receive any compensation.

(6) APPLICABLE DESIGNEE.—*In this section, the term “applicable designee” means—*

(A) *with respect to Federal land described in section 3(7)(A), the applicable Regional Forester; and*

(B) *with respect to Federal land described in section 3(7)(B), the applicable Bureau of Land Management State Director.*

(d) COMPOSITION OF ADVISORY COMMITTEE.—

(1) NUMBER.—Each resource advisory committee shall be comprised of **[15 members]** *9 members*.

(2) COMMUNITY INTERESTS REPRESENTED.—Committee members shall be representative of the interests of the following 3 categories:

(A) **[5 persons]** *3 persons* that—

(i) represent organized labor or non-timber forest product harvester groups;

(ii) represent developed outdoor recreation, off highway vehicle users, or commercial recreation activities;

(iii) represent—

(I) energy and mineral development interests; or

(II) commercial or recreational fishing interests;

(iv) represent the commercial timber industry; or

(v) hold Federal grazing or other land use permits, or represent nonindustrial private forest land owners, within the area for which the committee is organized.

(B) **[5 persons]** *3 persons* that represent—

(i) nationally recognized environmental organizations;

(ii) regionally or locally recognized environmental organizations;

(iii) dispersed recreational activities;

(iv) archaeological and historical interests; or

(v) nationally or regionally recognized wild horse and burro interest groups, wildlife or hunting organizations, or watershed associations.

(C) **[5 persons]** *3 persons* that—

(i) hold State elected office (or a designee);

(ii) hold county or local elected office;

(iii) represent American Indian tribes within or adjacent to the area for which the committee is organized;

(iv) are school officials or teachers; or

(v) represent the affected public at large.

(3) **BALANCED REPRESENTATION.**—In appointing committee members from the 3 categories in paragraph (2), the Secretary concerned (*or applicable designee*) shall provide for balanced and broad representation from within each category, *consistent with the requirements of paragraph (4)*.

[(4) **GEOGRAPHIC DISTRIBUTION.**—The members of a resource advisory committee shall reside within the State in which the committee has jurisdiction and, to extent practicable, the Secretary concerned shall ensure local representation in each category in paragraph (2).]

(4) **GEOGRAPHIC DISTRIBUTION.**—*The members of a resource advisory committee shall reside within the county or counties in which the committee has jurisdiction, or an adjacent county.*

(5) **CHAIRPERSON.**—A majority on each resource advisory committee shall select the chairperson of the committee.

(e) **APPROVAL PROCEDURES.**—

(1) **IN GENERAL.**—Subject to paragraph (3), each resource advisory committee shall establish procedures for proposing projects to the Secretary concerned under this title.

(2) **QUORUM.**—A quorum must be present to constitute an official meeting of the committee.

(3) **APPROVAL BY MAJORITY OF MEMBERS.**—A project may be proposed by a resource advisory committee to the Secretary concerned under section 203(a), if the project has been approved by a majority of members of the committee from each of the 3 categories in subsection (d)(2).

(f) **OTHER COMMITTEE AUTHORITIES AND REQUIREMENTS.**—

(1) **STAFF ASSISTANCE.**—A resource advisory committee may submit to the Secretary concerned (*or applicable designee*) a request for periodic staff assistance from Federal employees under the jurisdiction of the Secretary (*or applicable designee*).

(2) **MEETINGS.**—All meetings of a resource advisory committee shall be announced at least 1 week in advance in a local newspaper of record and shall be open to the public.

(3) **RECORDS.**—A resource advisory committee shall maintain records of the meetings of the committee and make the records available for public inspection.

* * * * *

SEC. 209. PROGRAM FOR SELF-SUSTAINING RESOURCE ADVISORY COMMITTEE PROJECTS.

(a) **RAC PROGRAM.**—*The Chief of the Forest Service shall conduct a program (to be known as the “self-sustaining resource advisory committee program” or “RAC program”) under which 10 resource advisory committees will propose projects authorized by subsection (c) to be carried out using project funds reserved by a participating county under section 102(d).*

(b) **SELECTION OF PARTICIPATING RESOURCE ADVISORY COMMITTEES.**—*The selection of resource advisory committees to participate in the RAC program is in the sole discretion of the Chief of the Forest Service.*

(c) **AUTHORIZED PROJECTS.**—*Notwithstanding the project purposes specified in sections 202(b), 203(c), and 204(a)(5), projects under the RAC program are intended to—*

- (1) accomplish forest management objectives or support community development; and
- (2) generate receipts.

(d) *DEPOSIT AND AVAILABILITY OF REVENUES.*—Any revenue generated by a project conducted under the RAC program, including any interest accrued from the revenues, shall be—

- (1) deposited in the special account in the Treasury established under section 102(d)(2)(A); and
- (2) available, in such amounts as may be provided in advance in appropriation Acts, for additional projects under the RAC program.

(e) *TERMINATION OF AUTHORITY.*—

(1) *IN GENERAL.*—The authority to initiate a project under the RAC program shall terminate on September 30, 2023.

(2) *DEPOSITS IN TREASURY.*—Any funds available for projects under the RAC program and not obligated by September 30, 2024, shall be deposited in the Treasury of the United States.

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TITLE IV—MISCELLANEOUS PROVISIONS

* * * * *

SEC. 403. TREATMENT OF FUNDS AND REVENUES.

(a) *RELATION TO OTHER APPROPRIATIONS.*—Funds made available under section 402 and funds made available to a Secretary concerned under section 206 shall be in addition to any other annual appropriations for the Forest Service and the Bureau of Land Management.

(b) *DEPOSIT OF REVENUES AND OTHER FUNDS.*—[All revenues] Except as provided in section 209, all revenues generated from projects pursuant to title II, including any interest accrued from the revenues, shall be deposited in the Treasury of the United States.

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TRIBAL FOREST PROTECTION ACT OF 2004

* * * * *

SEC. 2. TRIBAL FOREST ASSETS PROTECTION.

(a) *DEFINITIONS.*—In this section:

(1) *FEDERAL LAND.*—The term “Federal land” means—

(A) land of the National Forest System (as defined in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a))) administered by the Secretary of Agriculture, acting through the Chief of the Forest Service; and

(B) public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)), the surface of which is administered by the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(2) INDIAN FOREST LAND OR RANGELAND.—The term “Indian forest land or rangeland” means land that—

(A) is held in trust by, or with a restriction against alienation by, the United States for an Indian tribe or a member of an Indian tribe; and

(B)(i)(I) is Indian forest land (as defined in section 304 of the National Indian Forest Resources Management Act (25 U.S.C. 3103)); or

(II) has a cover of grasses, brush, or any similar vegetation; or

(ii) formerly had a forest cover or vegetative cover that is capable of restoration.

(3) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(4) SECRETARY.—The term “Secretary” means—

(A) the Secretary of Agriculture, with respect to land under the jurisdiction of the Forest Service; and

(B) the Secretary of the Interior, with respect to land under the jurisdiction of the Bureau of Land Management.

(b) AUTHORITY TO PROTECT INDIAN FOREST LAND OR RANGELAND.—

(1) IN GENERAL.—[Not later than 120 days after the date on which an Indian tribe submits to the Secretary] *In response to the submission by an Indian Tribe of a request to enter into an agreement or contract to carry out a project to protect Indian forest land or rangeland (including a project to restore Federal land that borders on or is adjacent to Indian forest land or rangeland) that meets the criteria described in subsection (c), the Secretary may issue public notice of initiation of any necessary environmental review or of the potential of entering into an agreement or contract with the Indian tribe pursuant to [section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 2104 note; Public Law 105-277) (as amended by section 323 of the Department of the Interior and Related Agencies Appropriations Act, 2003 (117 Stat. 275))] section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c), or such other authority as appropriate, under which the Indian tribe would carry out activities described in paragraph (3).*

(2) ENVIRONMENTAL ANALYSIS.—Following completion of any necessary environmental analysis, the Secretary may enter into an agreement or contract with the Indian tribe as described in paragraph (1).

(3) ACTIVITIES.—Under an agreement or contract entered into under paragraph (2), the Indian tribe may carry out activities to achieve land management goals for Federal land that is—

(A) under the jurisdiction of the Secretary; and

(B) bordering or adjacent to the Indian forest land or rangeland under the jurisdiction of the Indian tribe.

(4) TIME PERIODS FOR CONSIDERATION.—

(A) INITIAL RESPONSE.—*Not later than 120 days after the date on which the Secretary receives a Tribal request under*

paragraph (1), the Secretary shall provide an initial response to the Indian Tribe regarding—

(i) whether the request may meet the selection criteria described in subsection (c); and

(ii) the likelihood of the Secretary entering into an agreement or contract with the Indian Tribe under paragraph (2) for activities described in paragraph (3).

(B) NOTICE OF DENIAL.—Notice under subsection (d) of the denial of a Tribal request under paragraph (1) shall be provided not later than 1 year after the date on which the Secretary received the request.

(C) COMPLETION.—Not later than 2 years after the date on which the Secretary receives a Tribal request under paragraph (1), other than a Tribal request denied under subsection (d), the Secretary shall—

(i) complete all environmental reviews necessary in connection with the agreement or contract and proposed activities under the agreement or contract; and

(ii) enter into the agreement or contract with the Indian Tribe under paragraph (2).

(c) SELECTION CRITERIA.—The criteria referred to in subsection (b), with respect to an Indian tribe, are whether—

(1) the Indian forest land or rangeland under the jurisdiction of the Indian tribe borders on or is adjacent to land under the jurisdiction of the Forest Service or the Bureau of Land Management;

(2) Forest Service or Bureau of Land Management land bordering on or adjacent to the Indian forest land or rangeland under the jurisdiction of the Indian tribe—

(A) poses a fire, disease, or other threat to—

(i) the Indian forest land or rangeland under the jurisdiction of the Indian tribe; or

(ii) a tribal community; or

(B) is in need of land restoration activities;

(3) the agreement or contracting activities applied for by the Indian tribe are not already covered by a stewardship contract or other instrument that would present a conflict on the subject land; and

(4) the Forest Service or Bureau of Land Management land described in the application of the Indian tribe presents or involves a feature or circumstance unique to that Indian tribe (including treaty rights or biological, archaeological, historical, or cultural circumstances).

(d) NOTICE OF DENIAL.—If the Secretary denies a tribal request under [subsection (b)(1), the Secretary may] *paragraphs (1) and (4)(B) of subsection (b), the Secretary shall issue a notice of denial to the Indian tribe, which—*

(1) identifies the specific factors that caused, and explains the reasons that support, the denial;

(2) identifies potential courses of action for overcoming specific issues that led to the denial; and

(3) proposes a schedule of consultation with the Indian tribe for the purpose of developing a strategy for protecting the Indian forest land or rangeland of the Indian tribe and interests of the Indian tribe in Federal land.

(e) PROPOSAL EVALUATION AND DETERMINATION FACTORS.—In entering into an agreement or contract in response to a request of an Indian tribe under subsection (b)(1), the Secretary may—

- (1) use a best-value basis; and
- (2) give specific consideration to tribally-related factors in the proposal of the Indian tribe, including—
 - (A) the status of the Indian tribe as an Indian tribe;
 - (B) the trust status of the Indian forest land or range-land of the Indian tribe;
 - (C) the cultural, traditional, and historical affiliation of the Indian tribe with the land subject to the proposal;
 - (D) the treaty rights or other reserved rights of the Indian tribe relating to the land subject to the proposal;
 - (E) the indigenous knowledge and skills of members of the Indian tribe;
 - (F) the features of the landscape of the land subject to the proposal, including watersheds and vegetation types;
 - (G) the working relationships between the Indian tribe and Federal agencies in coordinating activities affecting the land subject to the proposal; and
 - (H) the access by members of the Indian tribe to the land subject to the proposal.

(f) NO EFFECT ON EXISTING AUTHORITY.—Nothing in this Act—

- (1) prohibits, restricts, or otherwise adversely affects the participation of any Indian tribe in stewardship agreements or contracting under the authority of [section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 2104 note; Public Law 105-277) (as amended by section 323 of the Department of the Interior and Related Agencies Appropriations Act, 2003 (117 Stat. 275))] *section 604 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591c)* or other authority invoked pursuant to this Act; or

(2) invalidates any agreement or contract under that authority.

(g) REPORT.—Not later than 4 years after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the Indian tribal requests received and agreements or contracts that have been entered into under this Act

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**WILDFIRE SUPPRESSION FUNDING AND FOREST
MANAGEMENT ACTIVITIES ACT**

* * * * *

**TITLE I—WILDFIRE AND DISASTER
FUNDING ADJUSTMENT**

SEC. 102. WILDFIRE AND DISASTER FUNDING ADJUSTMENT.

(a) Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)) is amended—

- (1) in subparagraph (D)(i), by striking subclauses (I) and (II) and inserting the following—

“(I) the average over the previous 10 years (excluding the highest and lowest years) of the sum of the funding provided for disaster relief (as that term is defined on the date immediately before the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act);

“(II) notwithstanding clause (iv), starting in fiscal year 2018, five percent of the total appropriations provided after fiscal year 2011 or in the previous 10 years, whichever is less, net of any rescissions of budget authority enacted in the same period, with respect to amounts provided for major disasters declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) and designated by the Congress and the President as an emergency pursuant to subparagraph (A)(i) of this paragraph; and

“(III) the cumulative net total of the unused carryover for fiscal year 2018 and all subsequent fiscal years, where the unused carryover for each fiscal year is calculated as the sum of the amounts in subclauses (I) and (II) less the enacted appropriations for that fiscal year that have been designated as being for disaster relief.”;

(2) in subparagraph (D)(ii), by striking “not later than 30 days after [the date of enactment] *the date of the enactment* of the Budget Control Act of 2011” and inserting “not later than 30 days after the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act”; and

(3) by adding at the end the following:—

“(F) WILDFIRE SUPPRESSION.—

“(i) ADDITIONAL NEW BUDGET AUTHORITY.—If, for fiscal years 2020 through 2027, a bill or joint resolution making appropriations for a fiscal year is enacted that provides an amount for wildfire suppression operations in the Wildland Fire Management accounts at the Department of Agriculture or the Department of the Interior, then the adjustments for that fiscal year shall be the amount of additional new budget authority provided in that Act for wildfire suppression operations for that fiscal year, but shall not exceed—

“(I) for fiscal year 2020, \$2,250,000,000;

“(II) for fiscal year 2021, \$2,350,000,000;

“(III) for fiscal year 2022, \$2,450,000,000;

“(IV) for fiscal year 2023, \$2,550,000,000;

“(V) for fiscal year 2024, \$2,650,000,000;

“(VI) for fiscal year 2025, \$2,750,000,000;

“(VII) for fiscal year 2026, \$2,850,000,000; and

“(VIII) for fiscal year 2027, \$2,950,000,000.

“(ii) DEFINITIONS.—In this subparagraph:

“(I) ADDITIONAL NEW BUDGET AUTHORITY.—The term “additional new budget authority” means the amount provided for a fiscal year in an appropriation Act that is in excess of the average costs for wildfire suppression operations as reported in the budget of the President submitted under section 1105(a) of title 31, United States Code, for fiscal

year 2015 and are specified to pay for the costs of wildfire suppression operations in an amount not to exceed the amount specified for that fiscal year in clause (i).

“(II) WILDFIRE SUPPRESSION OPERATIONS.—The term “wildfire suppression operations” means the emergency and unpredictable aspects of wildland firefighting, including—

“(aa) support, response, and emergency stabilization activities;

“(bb) other emergency management activities; and

“(cc) the funds necessary to repay any transfers needed for the costs of wildfire suppression operations.”.

(b) The amendment made by paragraph (1) of subsection (a) shall begin to apply in fiscal year 2019.

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TITLE IV—EXTENSION OF SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

SEC. 401. EXTENSION OF SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

(a) SECURE PAYMENTS FOR STATES AND COUNTIES CONTAINING FEDERAL LAND

(1) FULL FUNDING AMOUNT Section 3(11) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7102(11)) is amended—

(A) in subparagraph (B), by striking “and”;

(B) in subparagraph (C)—

(i) by striking “and each fiscal year thereafter” and inserting “through fiscal year 2015”; and

(ii) by striking the period and inserting a semi-colon; and

(C) by adding at the end the following:

“(D) for fiscal year 2017, the amount that is equal to 95 percent of the full funding amount for fiscal year 2015; and

“(E) for fiscal year 2018 and each fiscal year thereafter, the amount that is equal to 95 percent of the full funding amount for the preceding fiscal year.”.

(2) SECURE PAYMENTS

(A) IN GENERAL Section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111) is amended, in subsections (a) and (b), by striking “2015” each place it appears and inserting “2015, 2017, and 2018”.

(B) SPECIAL RULE FOR FISCAL YEAR 2017 PAYMENTS Section 101 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7111) is amended by adding at the end the following:

“(d) SPECIAL RULE FOR FISCAL YEAR 2017 PAYMENTS

“(1) STATE PAYMENT If an eligible county in a State that will receive a share of the State payment for fiscal year 2017 has already received, or will receive, a share of the 25-percent payment for fiscal year 2017 distributed to the State before the date of enactment of this subsection, the amount of the State payment shall be reduced by the amount of the share of the eligible county of the 25-percent payment.

“(2) COUNTY PAYMENT If an eligible county that will receive a county payment for fiscal year 2017 has already received a 50-percent payment for fiscal year 2017, the amount of the county payment shall be reduced by the amount of the 50-percent payment.

“(3) PROMPT PAYMENT Not later than 45 days after the date of enactment of this subsection, the Secretary of the Treasury shall make all payments under this title for fiscal year 2017.”.

(3) PAYMENTS TO STATES AND COUNTIES

(A) ELECTION TO RECEIVE PAYMENT AMOUNT Section 102(b) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(b)) is amended—

(i) in paragraph (1), by adding after subparagraph (C) the following:

“(D) PAYMENTS FOR FISCAL YEARS 2017 AND 2018 The election otherwise required by subparagraph (A) shall not apply for fiscal years 2017 or 2018.”; and

(ii) in paragraph (2)—

(I) in subparagraph (A), by inserting “and for fiscal years 2017 and 2018” after “2015”; and

(II) in subparagraph (B), by inserting “and for fiscal years 2017 and 2018” after “2015”.

(B) EXPENDITURE RULES FOR ELIGIBLE COUNTIES Section 102(d) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(d)) is amended—

(i) in paragraph (1), by adding after subparagraph (E) the following:

“(F) PAYMENTS FOR FISCAL YEARS 2017 AND 2018 The election made by an eligible county under subparagraph (B), (C), or (D) for fiscal year 2013, or deemed to be made by the county under paragraph (3)(B) for that fiscal year, shall be effective for fiscal years 2017 and 2018.”; and

(ii) in paragraph (3)—

(I) in subparagraph (B)(ii), by striking “purpose described in section 202(b)” and inserting “purposes described in section 202(b), section 203(c), or section 204(a)(5)”; and

(II) by adding after subparagraph (C) the following:

“(D) PAYMENTS FOR FISCAL YEARS 2017 AND 2018 This paragraph does not apply for fiscal years 2017 and 2018.”.

(C) ELECTIONS AS TO ALLOCATION OF BALANCE Section 102(d)(1) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(d)(1)) is amended—

(i) in subparagraph (B)(ii), by striking “not more than 7 percent of the total share for the eligible county of the State payment or the county payment” and inserting “any portion of the balance”; and

(ii) by striking subparagraph (C) and inserting the following:

“(C) COUNTIES WITH MAJOR DISTRIBUTIONS In the case of each eligible county to which \$350,000 or more is distributed for any fiscal year pursuant to paragraph (1)(B) or (2)(B) of subsection (a), the eligible county shall elect to do 1 or more of the following with the balance of any funds not expended pursuant to subparagraph (A):

“(i) Reserve any portion of the balance for projects in accordance with title II.

“(ii) Reserve not more than 7 percent of the total share for the eligible county of the State payment or the county payment for projects in accordance with title III.

“(iii) Return the portion of the balance not reserved under clauses (i) and (ii) to the Treasury of the United States.”

(D) TREATMENT AS SUPPLEMENTAL FUNDING Section 102 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112) is amended by adding at the end the following:

“(f) TREATMENT AS SUPPLEMENTAL FUNDING

“(1) IN GENERAL None of the funds made available to an eligible county under this Act may be used in lieu of, or to otherwise offset, a State funding source for a local school, facility, or educational purpose.

“(2) CONTINUATION OF DIRECT PAYMENTS Payments to States made under the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7101 et seq.) and 25-percent payments made to States and Territories under the Acts of May 23, 1908, and March 1, 1911 (16 U.S.C. 500), shall continue to be made as direct payments and not as Federal financial assistance.”

(E) DISTRIBUTION OF PAYMENTS TO ELIGIBLE COUNTIES Section 103(d)(2) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7113(d)(2)) is amended by striking “2015” and inserting “and for fiscal years 2017 and 2018”.

(b) CONTINUATION OF AUTHORITY TO CONDUCT SPECIAL PROJECTS ON FEDERAL LAND

(1) REPEAL OF CONTRACTING PILOT PROGRAM Section 204(e) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7124(e)) is amended by striking paragraph (3).

(2) RESOURCE ADVISORY COMMITTEES Section 205(a)(4) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125(a)(4)) is amended by striking “2012” each place it appears and inserting “2018”.

(3) AVAILABILITY OF PROJECT FUNDS Section 207(d)(2) of the Secure Rural Schools and Community Self-Determination Act

of 2000 (16 U.S.C. 7127(d)(2)) is amended by striking “subparagraph (B)” and inserting “subparagraph (B)(i), (B)(ii),”.

(4) TERMINATION OF AUTHORITY Section 208 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7128) is amended—

(A) in subsection (a), by striking “2017” and inserting “2020”; and

(B) in subsection (b), by striking “2018” and inserting “2021”.

(c) TERMINATION OF AUTHORITY Section 304 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7144) is amended—

(1) in subsection (a), by striking “2017” and inserting “2020”; and

(2) in subsection (b), by striking “2018” and inserting “2021”.

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FARMER-TO-CONSUMER DIRECT MARKETING ACT OF 1976

* * * * *

SEC. 6. FARMERS’ MARKET AND LOCAL FOOD PROMOTION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall carry out a program, to be known as the “Farmers’ Market and Local Food Promotion Program” (referred to in this section as the “Program”), to make grants to eligible entities for projects to establish, expand, and promote direct producer-to-consumer marketing and assist in the development of local food business enterprises.

(b) PROGRAM PURPOSES.—The purposes of the Program are to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets, by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement and expansion of—

(1) domestic farmers’ markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities; and

(2) local and regional food business enterprises (including those that are not direct producer-to-consumer markets) that process, distribute, aggregate, or store locally or regionally produced food products.

(c) ELIGIBLE ENTITIES.—An entity shall be eligible to receive a grant under the Program if the entity is—

(1) an agricultural cooperative or other agricultural business entity or a producer network or association, including a community supported agriculture network or association;

(2) a local government;

(3) a nonprofit corporation;

(4) a public benefit corporation;

(5) an economic development corporation;

(6) a regional farmers’ market authority; or

(7) such other entity as the Secretary may designate.

(d) **CRITERIA AND GUIDELINES.**—The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under the Program.

(e) **PRIORITIES.**—In providing grants under the Program, priority shall be given to applications that include projects that benefit underserved communities, including communities that—

(1) are located in areas of concentrated poverty with limited access to fresh locally or regionally grown foods; and

(2) have not received benefits from the Program in the recent past.

(f) **FUNDS REQUIREMENTS FOR ELIGIBLE ENTITIES.**—

(1) **MATCHING FUNDS.**—An entity receiving a grant under this section for a project to carry out a purpose described in subsection (b)(2) shall provide matching funds in the form of cash or an in-kind contribution in an amount equal to 25 percent of the total cost of the project.

(2) **LIMITATION ON USE OF FUNDS.**—An eligible entity may not use a grant or other assistance provided under this section for the purchase, construction, or rehabilitation of a building or structure.

(g) **FUNDING.**—

(1) **MANDATORY FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

(A) \$3,000,000 for fiscal year 2008;

(B) \$5,000,000 for each of fiscal years 2009 through 2010;

(C) \$10,000,000 for each of fiscal years 2011 and 2012; and

(D) \$30,000,000 for each of fiscal years 2014 through 2018.

[(2) **FISCAL YEAR 2013.**—There is authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 2013.]

[(3) (2) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out [this section \$10,000,000 for each of fiscal years 2014 through 2018.] *this section*—

(A) *\$10,000,000 for each of fiscal years 2014 through 2018; and*

(B) *\$30,000,000 for each of fiscal years 2019 through 2023.*

[(4) (3) **USE OF FUNDS.**—Of the funds made available to carry out this section for a fiscal year—

(A) 50 percent of the funds shall be used for the purposes described in subsection (b)(1); and

(B) 50 percent of the funds shall be used for the purposes described in subsection (b)(2).

[(5) (4) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—Not more than 4 percent of the total amount made available to carry out this section for a fiscal year may be used for administrative expenses.

[(6)] (5) INTERDEPARTMENTAL COORDINATION.—In carrying out this subsection, the Secretary shall ensure coordination between the various agencies to the maximum extent practicable.

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SPECIALTY CROPS COMPETITIVENESS ACT OF 2004

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TITLE I—STATE ASSISTANCE FOR SPECIALTY CROPS

SEC. 101. SPECIALTY CROP BLOCK GRANTS.

(a) AVAILABILITY AND PURPOSE OF GRANTS.—Using the funds made available under subsection (1), the Secretary of Agriculture shall make grants to States for each of the fiscal years 2005 through [(2018)] 2023 to be used by State departments of [agriculture solely to enhance the competitiveness of specialty crops.] agriculture to—

- (1) *enhance the competitiveness of specialty crops;*
- (2) *leverage efforts to market and promote specialty crops;*
- (3) *assist producers with research and development;*
- (4) *expand availability and access to specialty crops;*
- (5) *address local, regional, and national challenges confronting specialty crop producers; and*
- (6) *other priorities as determined by the Secretary in consultation with relevant State departments of agriculture.*

(b) GRANTS BASED ON VALUE AND ACREAGE.—Subject to subsection (c), for each State whose application for a grant for a fiscal year that is accepted by the Secretary under subsection (f), the amount of the grant for that fiscal year to the State under this section shall bear the same ratio to the total amount made available under subsection (1)(1) for that fiscal year as—

- (1) the average of the most recent available value of specialty crop production in the State and the acreage of specialty crop production in the State, as demonstrated in the most recent Census of Agriculture data; bears to
- (2) the average of the most recent available value of specialty crop production in all States and the acreage of specialty crop production in all States, as demonstrated in the most recent Census of Agriculture data.

(c) MINIMUM GRANT AMOUNT.—Notwithstanding subsection (b), each State shall receive a grant under this section for each fiscal year in an amount that is at least equal to the higher of—

- (1) \$100,000; or
- (2) $\frac{1}{3}$ of 1 percent of the total amount of funding made available to carry out this section for the fiscal year.

(d) ELIGIBILITY.—To be eligible to receive a grant under this section, a State department of agriculture shall prepare and submit, for approval by the Secretary of Agriculture, an application at such time, in such a manner, and containing such information as the Secretary shall require by regulation, including—

(1) a State plan that meets the requirements of subsection (e);

(2) an assurance that the State will comply with the requirements of the plan; and

(3) an assurance that grant funds received under this section shall supplement the expenditure of State funds in support of specialty crops grown in that State, rather than replace State funds.

(e) **PLAN REQUIREMENTS.**—The State plan shall identify the lead agency charged with the responsibility of carrying out the plan and indicate how the grant funds will be utilized to enhance the competitiveness of specialty crops.

(f) **REVIEW OF APPLICATION.**—In reviewing the application of a State submitted under subsection (d), the Secretary of Agriculture shall ensure that the State plan would carry out the purpose of grant program, as specified in subsection (a). The Secretary may accept or reject applications for a grant under this section.

(g) **EFFECT OF NONCOMPLIANCE.**—If the Secretary of Agriculture, after reasonable notice to a State, finds that there has been a failure by the State to comply substantially with any provision or requirement of the State plan, the Secretary may disqualify, for one or more years, the State from receipt of future grants under this section.

(h) **AUDIT REQUIREMENTS.**—For each year that a State receives a grant under this section, the State shall conduct an audit of the expenditures of grant funds by the State. Not later than 30 days after the completion of the audit, the State shall submit a copy of the audit to the Secretary of Agriculture.

(i) **REALLOCATION.**—

(1) **IN GENERAL.**—The Secretary shall reallocate to other States in accordance with paragraph (2) any amounts made available for a fiscal year under this section that are not obligated or expended by a date during that fiscal year determined by the Secretary.

(2) **PRO RATA ALLOCATION.**—The Secretary shall allocate funds described in paragraph (1) pro rata to the remaining States that applied during the specified grant application period.

(3) **USE OF REALLOCATED FUNDS.**—Funds allocated to a State under this subsection shall be used by the State only to carry out projects that were previously approved in the State plan of the State.

(j) **MULTISTATE PROJECTS.**—Not later than 180 days after the effective date of the Agricultural Act of 2014, the Secretary of Agriculture shall issue guidance for the purpose of making grants to multistate projects under this section for projects involving—

(1) food safety;

(2) plant pests and disease;

(3) research;

(4) crop-specific projects addressing common issues; and

(5) any other area that furthers the purposes of this section, as determined by the Secretary.

(k) **ADMINISTRATION.**—

(1) DEPARTMENT.—The Secretary of Agriculture may not use more than 3 percent of the funds made available to carry out this section for a fiscal year for administrative expenses.

(2) STATES.—A State receiving a grant under this section may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses.

(3) EVALUATION OF PERFORMANCE.—*The Secretary shall enter into a cooperative agreement with relevant State departments of agriculture and specialty crop industry stakeholders that agree to—*

(A) *develop, in consultation with the Secretary, performance measures to be used as the sole means for performing an evaluation under subparagraph (B); and*

(B) *periodically evaluate the performance of the program established under this section.*

(1) FUNDING.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

(A) \$10,000,000 for fiscal year 2008;

(B) \$49,000,000 for fiscal year 2009;

(C) \$55,000,000 for each of fiscal years 2010 through 2012;

(D) \$72,500,000 for each of fiscal years 2014 through 2017; and

(E) \$85,000,000 for fiscal year 2018 and each fiscal year thereafter.

(2) MULTISTATE PROJECTS.—Of the funds made available under paragraph (1), the Secretary may use to carry out subsection (j), to remain available until expended—

(A) \$1,000,000 for fiscal year 2014;

(B) \$2,000,000 for fiscal year 2015;

(C) \$3,000,000 for fiscal year 2016;

(D) \$4,000,000 for fiscal year 2017; and

(E) \$5,000,000 for [fiscal year 2018] *each of fiscal years 2018 through 2023.*

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PLANT VARIETY PROTECTION ACT

* * * * *

TITLE II—PROTECTABILITY OF PLANT VARIETIES AND CERTIFICATES OF PROTECTION

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CHAPTER 4. PROTECTABILITY OF PLANT VARIETIES

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SEC. 41. DEFINITIONS AND RULES OF CONSTRUCTION

(a) DEFINITIONS.—As used in this Act:

(1) *ASEXUALLY REPRODUCED.*—The term “asexually reproduced” means produced by a method of plant propagation using vegetative material (other than seed) from a single parent, including cuttings, grafting, tissue culture, and propagation by root division.

[(1)] (2) *BASIC SEED.*—The term “basic seed” means the seed planted to produce certified or commercial seed.

[(2)] (3) *BREEDER.*—The term “breeder” means the person who directs the final breeding creating a variety or who discovers and develops a variety. If the actions are conducted by an agent on behalf of a principal, the principal, rather than the agent, shall be considered the breeder. The term does not include a person who redevelops or rediscovers a variety the existence of which is publicly known or a matter of common knowledge.

[(3)] (4) *ESSENTIALLY DERIVED VARIETY.*—

(A) *IN GENERAL.*—The term “essentially derived variety” means a variety that—

(i) is predominantly derived from another variety (referred to in this paragraph as the “initial variety”) or from a variety that is predominantly derived from the initial variety, while retaining the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety;

(ii) is clearly distinguishable from the initial variety; and

(iii) except for differences that result from the act of derivation, conforms to the initial variety in the expression of the essential characteristics that result from the genotype or combination of genotypes of the initial variety.

(B) *METHODS.*—An essentially derived variety may be obtained by the selection of a natural or induced mutant or of a somaclonal variant, the selection of a variant individual from plants of the initial variety, backcrossing, transformation by genetic engineering, or other method.

[(4)] (5) *KIND.*—The term “kind” means one or more related species or subspecies singly or collectively known by one common name, such as soybean, flax, or radish.

[(5)] (6) *SEED.*—The term “seed”, with respect to a tuber propagated variety, means the tuber or the part of the tuber used for propagation.

[(6)] (7) *SEXUALLY REPRODUCED.*—The term “sexually reproduced” includes any production of a variety by seed, but does not include the production of a variety by tuber propagation.

[(7)] (8) *TUBER PROPAGATED.*—The term “tuber propagated” means propagated by a tuber or a part of a tuber.

[(8)] (9) *UNITED STATES.*—The terms “United States” and “this country” mean the United States, the territories and possessions of the United States, and the Commonwealth of Puerto Rico.

[(9)] (10) *VARIETY.*—The term “variety” means a plant grouping within a single botanical taxon of the lowest known rank, that, without regard to whether the conditions for plant variety protection are fully met, can be defined by the expres-

sion of the characteristics resulting from a given genotype or combination of genotypes, distinguished from any other plant grouping by the expression of at least one characteristic and considered as a unit with regard to the suitability of the plant grouping for being propagated unchanged. A variety may be represented by seed, transplants, plants, tubers, tissue culture plantlets, and other matter.

(b) RULES OF CONSTRUCTION.—For the purposes of this Act:

(1) SALE OR DISPOSITION FOR NONREPRODUCTIVE PURPOSES.—The sale or disposition, for other than reproductive purposes, of harvested material produced as a result of experimentation or testing of a variety to ascertain the characteristics of the variety, or as a by-product of increasing a variety, shall not be considered to be a sale or disposition for purposes of exploitation of the variety.

(2) SALE OR DISPOSITION FOR REPRODUCTIVE PURPOSES.—The sale or disposition of a variety for reproductive purposes shall not be considered to be a sale or disposition for the purposes of exploitation of the variety if the sale or disposition is done as an integral part of a program of experimentation or testing to ascertain the characteristics of the variety, or to increase the variety on behalf of the breeder or the successor in interest of the breeder.

(3) SALE OR DISPOSITION OF HYBRID SEED.—The sale or disposition of hybrid seed shall be considered to be a sale or disposition of harvested material of the varieties from which the seed was produced.

(4) APPLICATION FOR PROTECTION OR ENTERING INTO A REGISTER OF VARIETIES.—The filing of an application for the protection or for the entering of a variety in an official register of varieties, in any country, shall be considered to render the variety a matter of common knowledge from the date of the application, if the application leads to the granting of protection or to the entering of the variety in the official register of varieties, as the case may be.

(5) DISTINCTNESS.—The distinctness of one variety from another may be based on one or more identifiable morphological, physiological, or other characteristics (including any characteristics evidenced by processing or product characteristics, such as milling and baking characteristics in the case of wheat) with respect to which a difference in genealogy may contribute evidence.

(6) PUBLICLY KNOWN VARIETIES.—

(A) IN GENERAL.—A variety that is adequately described by a publication reasonably considered to be a part of the public technical knowledge in the United States shall be considered to be publicly known and a matter of common knowledge.

(B) DESCRIPTION.—A description that meets the requirements of subparagraph (A) shall include a disclosure of the principal characteristics by which a variety is distinguished.

(C) OTHER MEANS.—A variety may become publicly known and a matter of common knowledge by other means.

SEC. 42. RIGHT TO PLANT VARIETY PROTECTION; PLANT VARIETIES PROTECTABLE

(a) **IN GENERAL.**—The breeder of any sexually reproduced [or tuber propagated], *tuber propagated*, or *asexually reproduced* plant variety (other than fungi or bacteria) who has so reproduced the variety, or the successor in interest of the breeder, shall be entitled to plant variety protection for the variety, subject to the conditions and requirements of this Act, if the variety is—

(1) new, in the sense that, on the date of filing of the application for plant variety protection, propagating or harvested material of the variety has not been sold or otherwise disposed of to other persons, by or with the consent of the breeder, or the successor in interest of the breeder, for purposes of exploitation of the variety—

(A) in the United States, more than 1 year prior to the date of filing; or

(B) in any area outside of the United States—

(i) more than 4 years prior to the date of filing, except that in the case of a tuberpropagated plant variety the Secretary may waive the 4-year limitation for a period ending 1 year after the date of enactment of the Federal Agriculture Improvement and Reform Act of 1996; or

(ii) in the case of a tree or vine, more than 6 years prior to the date of filing;

(2) distinct, in the sense that the variety is clearly distinguishable from any other variety the existence of which is publicly known or a matter of common knowledge at the time of the filing of the application;

(3) uniform, in the sense that any variations are describable, predictable, and commercially acceptable; and

(4) stable, in the sense that the variety, when reproduced, will remain unchanged with regard to the essential and distinctive characteristics of the variety with a reasonable degree of reliability commensurate with that of varieties of the same category in which the same breeding method is employed.

(b) **MULTIPLE APPLICANTS.**—

(1) **IN GENERAL.**—If 2 or more applicants submit applications on the same effective filing date for varieties that cannot be clearly distinguished from one another, but that fulfill all other requirements of subsection (a), the applicant who first complies with all requirements of this Act shall be entitled to a certificate of plant variety protection, to the exclusion of any other applicant.

(2) **REQUIREMENTS COMPLETED ON SAME DATE.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), if 2 or more applicants comply with all requirements for protection on the same date, a certificate shall be issued for each variety.

(B) **VARIETIES INDISTINGUISHABLE.**—If the varieties that are the subject of the applications cannot be distinguished in any manner, a single certificate shall be issued jointly to the applicants.

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TITLE III—PLANT VARIETY PROTECTION AND RIGHTS

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CHAPTER 11. INFRINGEMENT OF PLANT VARIETY PROTECTION

SEC. 111. INFRINGEMENT OF PLANT VARIETY PROTECTION.

(a) Except as otherwise provided in this title, it shall be an infringement of the rights of the owner of a protected variety to perform without authority, any of the following acts in the United States, or in commerce which can be regulated by Congress or affecting such commerce, prior to expiration of the right to plant variety protection but after either the issue of the certificate or the distribution of a protected plant variety with the notice under section 127:

(1) sell or market the protected variety, or offer it or expose it for sale, deliver it, ship it, consign it, exchange it, or solicit an offer to buy it, or any other transfer of title or possession of it;

(2) import the variety into, or export it from, the United States;

(3) sexually or *asexually* multiply, or propagate by a tuber or a part of a tuber, the variety as a step in marketing (for growing purposes) the variety;

(4) use the variety in producing (as distinguished from developing) a hybrid or different variety therefrom;

(5) use seed which had been marked "Unauthorized Propagation Prohibited" or "Unauthorized Seed Multiplication Prohibited" or progeny thereof to propagate the variety;

(6) dispense the variety to another, in a form which can be propagated, without notice as to being a protected variety under which it was received;

(7) condition the variety for the purpose of propagation, except to the extent that the conditioning is related to the activities permitted under section 113;

(8) stock the variety for any of the purposes referred to in paragraphs (1) through (7);

(9) perform any of the foregoing acts even in instances in which the variety is multiplied other than sexually, except in pursuance of a valid United States plant patent; or

(10) instigate or actively induce performance of any of the foregoing acts.

(b)(1) Subject to paragraph (2), the owner of a protected variety may authorize the use of the variety under this section subject to conditions and limitations specified by the owner.

(2) In the case of a contract between a seed producer and the owner of a protected variety of lawn, turf, or forage grass seed, or alfalfa or clover seed for the production of seed of the protected variety, the producer shall be deemed to be authorized by the owner to sell such seed and to use the variety if—

(A) the producer has fulfilled the terms of the contract;

(B) the owner refuses to take delivery of the seed or refuses to pay any amounts due under the contract within 30 days of the payment date specified in the contract; and

(C) after the expiration of the period specified in subparagraph (B), the producer notifies the owner of the producer's intent to sell the seed and unless the owner fails to pay the amounts due under the contract and take delivery of the seed within 30 days of such notification. For the purposes of this paragraph, the term "owner" shall include any licensee of the owner.

(3) Paragraph (2) shall apply to contracts entered into with respect to plant varieties protected under this Act (7 U.S.C. 2321 et seq.) as in effect on the day before the effective date of this provision as well as plant varieties protected under this Act as amended by the Plant Variety Protection Act Amendments of 1994.

(4) Nothing in this subsection shall affect any other rights or remedies of producers or owners that may exist under other Federal or State laws.

(c) This section shall apply equally to—

(1) any variety that is essentially derived from a protected variety, unless the protected variety is an essentially derived variety;

(2) any variety that is not clearly distinguishable from a protected variety;

(3) any variety whose production requires the repeated use of a protected variety; and"

(4) harvested material (including entire plants and parts of plants) obtained through the unauthorized use of propagating material of a protected variety, unless the owner of the variety has had a reasonable opportunity to exercise the rights provided under this Act with respect to the propagating material.

(d) It shall not be an infringement of the rights of the owner of a variety to perform any act concerning propagating material of any kind, or harvested material, including entire plants and parts of plants, of a protected variety that is sold or otherwise marketed with the consent of the owner in the United States, unless the act involves further propagation of the variety or involves an export of material of the variety, that enables the propagation of the variety, into a country that does not protect varieties of the plant genus or species to which the variety belongs, unless the exported material is for final consumption purposes.

(e) It shall not be an infringement of the rights of the owner of a variety to perform any act done privately and for noncommercial purposes.

(f) As used in this section, the term "perform without authority" includes performance without authority by any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in the official capacity of the officer or employee. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this Act in the same manner and to the same extent as any nongovernmental entity.

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CHAPTER 12. REMEDIES FOR INFRINGEMENT OF PLANT VARIETY PROTECTION, AND OTHER ACTIONS

SEC. 128. FALSE MARKING; CEASE AND DESIST ORDERS.

(a) Each of the following acts, if performed in connection with the sale, offering for sale, or advertising of sexually *or asexually* reproducible plant material or tubers or parts of tubers, is prohibited, and the Secretary may, if the Secretary determines after an opportunity for hearing that the act is being so performed, issue an order to cease and desist, said order being binding unless appealed under section 71:

(1) Use of the words "U.S. Protected Variety" or any word or number importing that the material is a variety protected under certificate, when it is not.

(2) Use of any wording importing that the material is a variety for which an application for plant variety protection is pending, when it is not.

(3) Use of the phrase "propagation prohibited" or similar phrase without reasonable basis, a statement of this basis being promptly filed with the Secretary if the phrase is used beyond testing and no application has been filed. Any reasonable gasis expires one year after the first sale of the variety except as justified thereafter by a pending application or a certificate still in force.

(4) Failure to use the name of a variety for which a certificate of protection has been issued under this Act, even after the expiration of the certificate, except that lawn, turf, or forage grass seed, or alfalfa or clover seed may be sold without a variety name unless use of the name of a variety for which a certificate of protection has been issued under this Act is required under State law.

(b) An one convicted of violating a binding cease and desist order, or of per P orming any act prohibited in subsection (a) of this section for the purpose of deceiving the public, shall be fined not more than \$10,000 and not less than \$500.

(c) Anyone whose business is damaged or is likely to be damaged by an act prohibited in subsection (a) of this section, or is subjected to competition in connection with which such act is performed, may have remedy by civil action.

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ORGANIC FOODS PRODUCTION ACT OF 1990

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TITLE XXI—ORGANIC CERTIFICATION

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SEC. 2115. ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish and implement a program to accredit a governing State official, and any private person, that meets the requirements of this section as a certifying

agent for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation.

(b) REQUIREMENTS.—To be accredited as a certifying agent under this section, a governing State official or private person shall—

(1) prepare and submit, to the Secretary, an application for such accreditation;

(2) have sufficient expertise in organic farming and handling techniques as determined by the Secretary; and

(3) comply with the requirements of this section and section 2116.

(c) SATELLITE OFFICES AND OVERSEAS OPERATIONS.—*The Secretary—*

(1) has oversight and approval authority with respect to a certifying agent accredited under this section who is operating as a certifying agent in a foreign country for the purpose of certifying a farm or handling operation in such foreign country as a certified organic farm or handling operation; and

(2) shall require that each certifying agent that intends to operate in any foreign country as described in paragraph (1) is authorized by the Secretary to so operate on an annual basis.

[(c)] (d) DURATION OF DESIGNATION.—An accreditation made under this section shall be for a period of not to exceed 5 years, as determined appropriate by the Secretary, and may be renewed.

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SEC. 2119. NATIONAL ORGANIC STANDARDS BOARD.

(a) IN GENERAL.—The Secretary shall establish a National Organic Standards Board (in accordance with the Federal Advisory Committee Act (5 U.S.C. App. 2 et seq.)) (hereafter referred to in this section as the “Board”) to assist in the development of standards for substances to be used in organic production and to advise the Secretary on any other aspects of the implementation of this title.

(b) COMPOSITION OF BOARD.—The Board shall be composed of 15 members, of which—

(1) four shall be individuals who own or operate an organic farming operation, *or employees of such individuals*;

(2) two shall be individuals who own or operate an organic handling operation, *or employees of such individuals*;

(3) one shall be an individual who owns or operates a retail establishment with significant trade in organic products, *or an employee of such individual*;

(4) three shall be individuals with expertise in areas of environmental protection and resource conservation;

(5) three shall be individuals who represent public interest or consumer interest groups;

(6) one shall be an individual with expertise in the fields of toxicology, ecology, or biochemistry; and

(7) one shall be an individual who is a certifying agent as identified under section 2116.

(c) APPOINTMENT.—Not later than 180 days after the date of enactment of this title, the Secretary shall appoint the members of the Board under paragraph (1) through (6) of subsection (b) (and under subsection (b)(7) at an appropriate date after the certification of individuals as certifying agents under section 2116) from

nominations received from organic certifying organizations, States, and other interested persons and organizations.

(d) TERM.—A member of the Board shall serve for a term of 5 years, except that the Secretary shall appoint the original members of the Board for staggered terms. A member cannot serve consecutive terms unless such member served an original term that was less than 5 years.

(e) MEETINGS.—The Secretary shall convene a meeting of the Board not later than 60 days after the appointment of its members and shall convene subsequent meetings on a periodic basis.

(f) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation. While away from their homes or regular places of business on the business of the Board, members of the Board may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(g) CHAIRPERSON.—The Board shall select a Chairperson for the Board.

(h) QUORUM.—A majority of the members of the Board shall constitute a quorum for the purpose of conducting business.

(i) DECISIVE VOTES.—Two-thirds of the votes cast at a meeting of the Board at which a quorum is present shall be decisive of any motion.

(j) OTHER TERMS AND CONDITIONS.—The Secretary shall authorize the Board to hire a staff director and shall detail staff of the Department of Agriculture or allow for the hiring of staff and may, subject to necessary appropriations, pay necessary expenses incurred by such Board in carrying out the provisions of this title, as determined appropriate by the Secretary.

(k) RESPONSIBILITIES OF THE BOARD.—

(1) IN GENERAL.—The Board shall provide recommendations to the Secretary regarding the implementation of this title.

(2) NATIONAL LIST.—The Board shall develop the proposed National List or proposed amendments to the National List for submission to the Secretary in accordance with section 2118.

(3) TECHNICAL ADVISORY PANELS.—The Board shall convene technical advisory panels to provide scientific evaluation of the materials considered for inclusion in the National List. Such panels may include experts in agronomy, entomology, health sciences and other relevant disciplines.

(4) SPECIAL REVIEW OF BOTANICAL PESTICIDES.—The Board shall, prior to the establishment of the National List, review all botanical pesticides used in agricultural production and consider whether any such botanical pesticide should be included in the list of prohibited natural substances.

(5) PRODUCT RESIDUE TESTING.—The Board shall advise the Secretary concerning the testing of organically produced agricultural products for residues caused by unavoidable residual environmental contamination.

(6) EMERGENCY SPRAY PROGRAMS.—The Board shall advise the Secretary concerning rules for exemptions from specific requirements of this title (except the provisions of section 2112) with respect to agricultural products produced on certified or-

ganic farms if such farms are subject to a Federal or State emergency pest or disease treatment program.

(1) REQUIREMENTS.—In establishing the proposed National List or proposed amendments to the National List, the Board shall—

(1) review available information from the Environmental Protection Agency, the National Institute of Environmental Health Studies, and such other sources as appropriate, concerning the potential for adverse human and environmental effects of substances considered for inclusion in the proposed National List;

(2) work with manufacturers of substances considered for inclusion in the proposed National List to obtain a complete list of ingredients and determine whether such substances contain inert materials that are synthetically produced【; and】;

(3) submit to the Secretary, along with the proposed National List or any proposed amendments to such list, the results of the Board's evaluation 【and the evaluation of the technical advisory panel】, *the evaluation of the technical advisory panel, and the determinations of the task force required under paragraph (4)* of all substances considered for inclusion in the National List【.】; and

(4) *in the case of a substance not included in the National List that the Commissioner of Food and Drugs has determined to be safe for use within the meaning of section 201(s) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(s)) or the Administrator of the Environmental Protection Agency has determined there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information, convene a task force to consult with the Commissioner or Administrator (or the designees thereof), as applicable, to determine if such substance should be included in the National List.*

(m) EVALUATION.—In evaluating substances considered for inclusion in the proposed National List or proposed amendment to the National List, the Board shall consider—

(1) the potential of such substances for detrimental chemical interactions with other materials used in organic farming systems;

(2) the toxicity and mode of action of the substance and of its breakdown products or any contaminants, and their persistence and areas of concentration in the environment;

(3) the probability of environmental contamination during manufacture, use, misuse or disposal of such substance;

(4) the effect of the substance on human health;

(5) the effects of the substance on biological and chemical interactions in the agroecosystem, including the physiological effects of the substance on soil organisms (including the salt index and solubility of the soil), crops and livestock;

(6) the alternatives to using the substance in terms of practices or other available materials; and

(7) its compatibility with a system of sustainable agriculture.

【(n) PETITIONS.—The Board shall establish procedures under which persons may petition the Board for the purpose of evaluating substances for inclusion on the National List.】

(n) *PETITIONS.*—

(1) *IN GENERAL.*—*The Board shall establish procedures under which persons may petition the Board for the purpose of evaluating substances for inclusion on the National List.*

(2) *EXPEDITED REVIEW.*—*The Secretary shall develop procedures under which the review of a petition referred to in paragraph (1) may be expedited if the petition seeks to include on the National List a postharvest handling substance that is related to food safety or a class of such substances.*

(3) *RULE OF CONSTRUCTION.*—*Nothing in paragraph (2) shall be construed as providing that section 2118(d) does not apply with respect to the inclusion of a substance on the National List pursuant to such paragraph.*

(o) *CONFIDENTIALITY.*—*Any confidential business information obtained by the Board in carrying out this section shall not be released to the public.*

SEC. 2120. RECORDKEEPING, INVESTIGATIONS, AND ENFORCEMENT.(a) *RECORDKEEPING.*—

(1) *IN GENERAL.*—*Except as otherwise provided in this title, each person who sells, labels, or represents any agricultural product as having been produced or handled using organic methods shall make available to the Secretary or the applicable governing State official, on request by the Secretary or official, all records associated with the agricultural product.*

(2) *CERTIFIED OPERATIONS.*—*Each producer that operates a certified organic farm or certified organic handling operation under this title shall maintain, for a period of not less than 5 years, all records concerning the production or handling of any agricultural product sold or labeled as organically produced under this title, including—*

(A) *a detailed history of substances applied to fields or agricultural products;*

(B) *the name and address of each person who applied such a substance; and*

(C) *the date, rate, and method of application of each such substance.*

(3) *CERTIFYING AGENTS.*—

(A) *MAINTENANCE OF RECORDS.*—*A certifying agent shall maintain all records concerning the activities of the certifying agent under this title for a period of not less than 10 years.*

(B) *ACCESS FOR SECRETARY.*—*A certifying agent shall provide to the Secretary and the applicable governing State official (or a representative) access to all records concerning the activities of the certifying agent under this title.*

(C) *TRANSFERENCE OF RECORDS.*—*If a private person that was certified under this title is dissolved or loses accreditation, all records and copies of records concerning the activities of the person under this title shall be—*

(i) *transferred to the Secretary; and*

(ii) *made available to the applicable governing State official.*

(4) *UNLAWFUL ACT.*—*It shall be unlawful and a violation of this title for any person covered by this title to fail or refuse*

to provide accurate information (including a delay in the timely delivery of such information) required by the Secretary under this title.

(5) CONFIDENTIALITY.—Except as provided in section 2107(a)(9), or as otherwise directed by the Secretary or the Attorney General for enforcement purposes, no officer, employee, or agent of the United States shall make available to the public any information, statistic, or document obtained from, or made available by, any person under this title, other than in a manner that ensures that confidentiality is preserved regarding—

- (A) the identity of all relevant persons (including parties to a contract); and
- (B) proprietary business information.

(b) INVESTIGATIONS.—

(1) IN GENERAL.—The Secretary may take such investigative actions as the Secretary considers to be necessary—

- (A) to verify the accuracy of any information reported or made available under this title; and
- (B) to determine whether a person covered by this title has committed a violation of any provision of this title, including an order or regulation promulgated by the Secretary pursuant to this title.

(2) SPECIFIC INVESTIGATIVE POWERS.—In carrying out this title, the Secretary may—

- (A) administer oaths and affirmations;
- (B) subpoena witnesses;
- (C) compel attendance of witnesses;
- (D) take evidence; and
- (E) require the production of any records required to be maintained under this title that are relevant to an investigation.

(c) VIOLATIONS OF TITLE.—

(1) MISUSE OF LABEL.—Any person who knowingly sells or labels a product as organic, except in accordance with this title, shall be subject to a civil penalty of not more than \$10,000.

(2) FALSE STATEMENT.—Any person who makes a false statement under this title to the Secretary, a governing State official, or a certifying agent shall be punished in accordance with section 1001 of title 18, United States Code.

(3) INELIGIBILITY.—

(A) IN GENERAL.—Except as provided in subparagraph (C), any person that carries out an activity described in subparagraph (B), after notice and an opportunity to be heard, shall not be eligible, for the 5-year period beginning on the date of the occurrence, to receive a certification under this title with respect to any farm or handling operation in which the person has an interest.

(B) DESCRIPTION OF ACTIVITIES.—An activity referred to in subparagraph (A) is—

- (i) making a false statement;
- (ii) attempting to have a label indicating that an agricultural product is organically produced affixed to an agricultural product that a person knows, or should have reason to know, to have been produced or han-

dled in a manner that is not in accordance with this title; or

(iii) otherwise violating the purposes of the applicable organic certification program, as determined by the Secretary.

(C) WAIVER.—Notwithstanding subparagraph (A), the Secretary may modify or waive a period of ineligibility under this paragraph if the Secretary determines that the modification or waiver is in the best interests of the applicable organic certification program established under this title.

(4) REPORTING OF VIOLATIONS.—A certifying agent shall immediately report any violation of this title to the Secretary or the applicable governing State official.

(5) VIOLATIONS BY CERTIFYING AGENT.—A certifying agent that is a private person that violates the provisions of this title or falsely or negligently certifies any farming or handling operation that does not meet the terms and conditions of the applicable organic certification program as an organic operation, as determined by the Secretary or the applicable governing State official shall, after notice and an opportunity to be heard—

(A) lose accreditation as a certifying agent under this title; and

(B) be ineligible to be accredited as a certifying agent under this title for a period of not less than 3 years, beginning on the date of the determination.

(6) EFFECT ON OTHER LAW.—Nothing in this title alters—

(A) the authority of the Secretary concerning meat, poultry and egg products under—

(i) the Federal Meat Inspection Act (21 U.S.C. 601 et seq.);

(ii) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); or

(iii) the Egg Products Inspection Act (21 U.S.C. 1031 et seq.);

(B) the authority of the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.); or

(C) the authority of the Administrator of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(d) COLLABORATIVE INVESTIGATIONS AND ENFORCEMENT.—

(1) INFORMATION SHARING DURING ACTIVE INVESTIGATION.—*In carrying out this title, all parties to an active investigation (including certifying agents, State organic certification programs, and the national organic program) may share confidential business information with Federal and State government officers and employees and certifying agents involved in the investigation as necessary to fully investigate and enforce potential violations of this title.*

(2) ACCESS TO DATA DOCUMENTATION SYSTEMS.—*The Secretary shall have access to available data from cross-border documentation systems administered by other Federal agencies, including—*

- (A) *the Automated Commercial Environment system of U.S. Customs and Border Protection; and*
- (B) *the Phytosanitary Certificate Issuance and Tracking system of the Animal and Plant Health Inspection Service.*
- (3) **ADDITIONAL DOCUMENTATION AND VERIFICATION.**—*The Secretary, acting through the Deputy Administrator of the national organic program under this title, has the authority, and shall grant an accredited certifying agent the authority, to require producers and handlers to provide additional documentation or verification before granting certification under section 2104, in the case of a known area of risk or when there is a specific area of concern, with respect to meeting the national standards for organic production established under section 2105, as determined by the Secretary or the certifying agent.*

* * * * *

SEC. 2122. ADMINISTRATION.

(a) **REGULATIONS.**—Not later than 540 days after the date of enactment of this title, the Secretary shall issue proposed regulations to carry out this title.

(b) **ASSISTANCE TO STATE.**—

(1) **TECHNICAL AND OTHER ASSISTANCE.**—The Secretary shall provide technical, administrative, and National Institute of Food and Agriculture assistance to assist States in the implementation of an organic certification program under this title.

(2) **FINANCIAL ASSISTANCE.**—The Secretary may provide financial assistance to any State that implements an organic certification program under this title.

(c) **REPORTING REQUIREMENT.**—*Not later than March 1, 2019, and annually thereafter through March 1, 2023, the Secretary shall submit to Congress a report describing national organic program activities with respect to all domestic and overseas investigations and compliance actions taken pursuant to this title during the preceding year.*

SEC. 2123. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this title.

[(b) **NATIONAL ORGANIC PROGRAM.**—Notwithstanding any other provision of law, in order to carry out activities under the national organic program established under this title, there are authorized to be appropriated—

[(1) \$5,000,000 for fiscal year 2008;

[(2) \$6,500,000 for fiscal year 2009;

[(3) \$8,000,000 for fiscal year 2010;

[(4) \$9,500,000 for fiscal year 2011;

[(5) \$11,000,000 for fiscal year 2012;

[(6) \$15,000,000 for each of fiscal years 2014 through 2018;

and

[(7) in addition to those amounts, such additional sums as are necessary for fiscal year 2009 and each fiscal year thereafter.

[(c) **MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.**—

【(1) IN GENERAL.—The Secretary shall modernize database and technology systems of the national organic program.

【(2) FUNDING.—Of the funds of the Commodity Credit Corporation and in addition to any other funds made available for that purpose, the Secretary shall make available to carry out this subsection \$5,000,000 for fiscal year 2014, to remain available until expended.】

(b) NATIONAL ORGANIC PROGRAM.—*Notwithstanding any other provision of law, in order to carry out activities under the national organic program established under this title, there are authorized to be appropriated—*

- (1) \$15,000,000 for fiscal year 2018;
- (2) \$16,500,000 for fiscal year 2019;
- (3) \$18,000,000 for fiscal year 2020;
- (4) \$20,000,000 for fiscal year 2021;
- (5) \$22,000,000 for fiscal year 2022; and
- (6) \$24,000,000 for fiscal year 2023.

(c) MODERNIZATION AND IMPROVEMENT OF INTERNATIONAL TRADE TECHNOLOGY SYSTEMS AND DATA COLLECTION.—

(1) IN GENERAL.—*The Secretary shall modernize international trade tracking and data collection systems of the national organic program.*

(2) ACTIVITIES.—*In carrying out paragraph (1), the Secretary shall modernize trade and transaction certificates to ensure full traceability without unduly hindering trade, such as through an electronic trade document exchange system.*

(3) FUNDING.—*Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$5,000,000 for fiscal year 2019 for the purposes of—*

- (A) *carrying out this subsection; and*
- (B) *maintaining the database and technology upgrades previously carried out under this subsection, as in effect on the day before the date of the enactment of the Agriculture and Nutrition Act of 2018.*

(4) AVAILABILITY.—*The amounts made available under paragraph (3) are in addition to any other funds made available for the purposes specified in such paragraph and shall remain available until expended.*

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FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

* * * * *

SEC. 2. DEFINITIONS.

For purposes of this Act—

- (a) ACTIVE INGREDIENT.—The term “active ingredient” means—
 - (1) in the case of a pesticide other than a plant regulator, defoliant, desiccant, or nitrogen stabilizer, an ingredient which will prevent, destroy, repel, or mitigate any pest;
 - (2) in the case of a plant regulator, an ingredient which, through physiological action, will accelerate or retard the rate of growth or rate of maturation or otherwise alter the behavior of ornamental or crop plants or the product thereof;

(3) in the case of a defoliant, an ingredient which will cause the leaves or foliage to drop from a plant;

(4) in the case of a desiccant, an ingredient which will artificially accelerate the drying of plant tissue; and

(5) in the case of a nitrogen stabilizer, an ingredient which will prevent or hinder the process of nitrification, denitrification, ammonia volatilization, or urease production through action affecting soil bacteria.

(b) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(c) ADULTERATED.—The term “adulterated” applies to any pesticide if—

(1) its strength or purity falls below the professed standard of quality as expressed on its labeling under which it is sold;

(2) any substance has been substituted wholly or in part for the pesticide; or

(3) any valuable constituent of the pesticide has been wholly or in part abstracted.

(d) ANIMAL.—The term “animal” means all vertebrate and invertebrate species, including but not limited to man and other mammals, birds, fish, and shellfish.

(e) CERTIFIED APPLICATOR, ETC.—

(1) CERTIFIED APPLICATOR.—The term “certified applicator” means any individual who is certified under section 11 as authorized to use or supervise the use of any pesticide which is classified for restricted use. Any applicator who holds or applies registered pesticides, or uses dilutions of registered pesticides consistent with subsection (ee), only to provide a service of controlling pests without delivering any unapplied pesticide to any person so served is not deemed to be a seller or distributor of pesticides under this Act.

(2) PRIVATE APPLICATOR.—The term “private applicator” means a certified applicator who uses or supervises the use of any pesticide which is classified for restricted use for purposes of producing any agricultural commodity on property owned or rented by the applicator or the applicator’s employer or (if applied without compensation other than trading of personal services between producers of agricultural commodities) on the property of another person.

(3) COMMERCIAL APPLICATOR.—The term “commercial applicator” means an applicator (whether or not the applicator is a private applicator with respect to some uses) who uses or supervises the use of any pesticide which is classified for restricted use for any purpose or on any property other than as provided by paragraph (2).

(4) UNDER THE DIRECT SUPERVISION OF A CERTIFIED APPLICATOR.—Unless otherwise prescribed by its labeling, a pesticide shall be considered to be applied under the direct supervision of a certified applicator if it is applied by a competent person acting under the instructions and control of a certified applicator who is available if and when needed, even though such certified applicator is not physically present at the time and place the pesticide is applied.

(f) DEFOLIANT.—The term “defoliant” means any substance or mixture of substances intended for causing the leaves or foliage to drop from a plant, with or without causing abscission.

(g) DESICCANT.—The term “desiccant” means any substance or mixture of substances intended for artificially accelerating the drying of plant tissue.

(h) DEVICE.—The term “device” means any instrument or contrivance (other than a firearm) which is intended for trapping, destroying, repelling, or mitigating any pest or any other form of plant or animal life (other than man and other than bacteria, virus, or other microorganism on or in living man or other living animals); but not including equipment used for the application of pesticides when sold separately therefrom.

(i) DISTRICT COURT.—The term “district court” means a United States district court, the District Court of Guam, the District Court of the Virgin Islands, and the highest court of American Samoa.

(j) ENVIRONMENT.—The term “environment” includes water, air, land, and all plants and man and other animals living therein, and the interrelationships which exist among these.

(k) FUNGUS.—The term “fungus” means any non-chlorophyll-bearing thallophyte (that is, any non-chlorophyll-bearing plant of a lower order than mosses and liverworts), as for example, rust, smut, mildew, mold, yeast, and bacteria, except those on or in living man or other animals and those on or in processed food, beverages, or pharmaceuticals.

(l) IMMINENT HAZARD.—The term “imminent hazard” means a situation which exists when the continued use of a pesticide during the time required for cancellation proceeding would be likely to result in unreasonable adverse effects on the environment or will involve unreasonable hazard to the survival of a species declared endangered by the Secretary of the Interior under Public Law 91-135.

(m) INERT INGREDIENT.—The term “inert ingredient” means an ingredient which is not active.

(n) INGREDIENT STATEMENT.—The term “ingredient statement” means a statement which contains—

(1) the name and percentage of each active ingredient, and the total percentage of all inert ingredients, in the pesticide; and

(2) if the pesticide contains arsenic in any form, a statement of the percentages of total and water soluble arsenic, calculated as elementary arsenic.

(o) INSECT.—The term “insect” means any of the numerous small invertebrate animals generally having the body more or less obviously segmented, for the most part belonging to the class insecta, comprising six-legged, usually winged forms, as for example, beetles, bugs, bees, flies, and to other allied classes of arthropods whose members are wingless and usually have more than six legs, as for example, spiders, mites, ticks, centipedes, and wood lice.

(p) LABEL AND LABELING.—

(1) LABEL.—The term “label” means the written, printed, or graphic matter on, or attached to, the pesticide or device or any of its containers or wrappers.

(2) LABELING.—The term “labeling” means all labels and all other written, printed, or graphic matter—

(A) accompanying the pesticide or device at any time; or
 (B) to which reference is made on the label or in literature accompanying the pesticide or device, except to current official publications of the Environmental Protection Agency, the United States Departments of Agriculture and Interior, the Department of Health and Human Services, State experiment stations, State agricultural colleges, and other similar Federal or State institutions or agencies authorized by law to conduct research in the field of pesticides.

(q) MISBRANDED.—

(1) A pesticide is misbranded if—

(A) its labeling bears any statement, design, or graphic representation relative thereto or to its ingredients which is false or misleading in any particular;

(B) it is contained in a package or other container or wrapping which does not conform to the standards established by the Administrator pursuant to section 25(c)(3);

(C) it is an imitation of, or is offered for sale under the name of, another pesticide;

(D) its label does not bear the registration number assigned under section 7 to each establishment in which it was produced;

(E) any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or graphic matter in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

(F) the labeling accompanying it does not contain directions for use which are necessary for effecting the purpose for which the product is intended and if complied with, together with any requirements imposed under section 3(d) of this Act, are adequate to protect health and the environment;

(G) the label does not contain a warning or caution statement which may be necessary and if complied with, together with any requirements imposed under section 3(d) of this Act, is adequate to protect health and the environment; or

(H) in the case of a pesticide not registered in accordance with section 3 of this Act and intended for export, the label does not contain, in words prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or graphic matter in the labeling) as to render it likely to be noted by the ordinary individual under customary conditions of purchase and use, the following: “Not Registered for Use in the United States of America”.

(2) A pesticide is misbranded if—

(A) the label does not bear an ingredient statement on that part of the immediate container (and on the outside container or wrapper of the retail package, if there be one,

through which the ingredient statement on the immediate container cannot be clearly read) which is presented or displayed under customary conditions of purchase, except that a pesticide is not misbranded under this subparagraph if—

(i) the size or form of the immediate container, or the outside container or wrapper of the retail package, makes it impracticable to place the ingredient statement on the part which is presented or displayed under customary conditions of purchase; and

(ii) the ingredient statement appears prominently on another part of the immediate container, or outside container or wrapper, permitted by the Administrator;

(B) the labeling does not contain a statement of the use classification under which the product is registered;

(C) there is not affixed to its container, and to the outside container or wrapper of the retail package, if there be one, through which the required information on the immediate container cannot be clearly read, a label bearing—

(i) the name and address of the producer, registrant, or person for whom produced;

(ii) the name, brand, or trademark under which the pesticide is sold;

(iii) the net weight or measure of the content, except that the Administrator may permit reasonable variations; and

(iv) when required by regulation of the Administrator to effectuate the purposes of this Act, the registration number assigned to the pesticide under this Act, and the use classification; and

(D) the pesticide contains any substance or substances in quantities highly toxic to man, unless the label shall bear, in addition to any other matter required by this Act—

(i) the skull and crossbones;

(ii) the word “poison” prominently in red on a background of distinctly contrasting color; and

(iii) a statement of a practical treatment (first aid or otherwise) in case of poisoning by the pesticide.

(r) NEMATODE.—The term “nematode” means invertebrate animals of the phylum nemathelminthes and class nematoda, that is, unsegmented round worms with elongated, fusiform, or saclike bodies covered with cuticle, and inhabiting soil, water, plants, or plant parts; may also be called nemas or eelworms.

(s) PERSON.—The term “person” means any individual, partnership, association, corporation, or any organized group of persons whether incorporated or not.

(t) PEST.—The term “pest” means (1) any insect, rodent, nematode, fungus, weed, or (2) any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other micro-organism (except viruses, bacteria, or other micro-organisms on or in living man or other living animals) which the Administrator declares to be a pest under section 25(c)(1).

(u) PESTICIDE.—The term “pesticide” means (1) any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, (2) any substance or mixture of sub-

stances intended for use as a plant regulator, defoliant, or desiccant, and (3) any nitrogen stabilizer, except that the term “pesticide” shall not include any article that is a “new animal drug” within the meaning of section 201(w) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(w)), that has been determined by the Secretary of Health and Human Services not to be a new animal drug by a regulation establishing conditions of use for the article, or that is an animal feed within the meaning of section 201(x) of such Act (21 U.S.C. 321(x)) bearing or containing a new animal drug. The term “pesticide” does not include liquid chemical sterilant products (including any sterilant or subordinate disinfectant claims on such products) for use on a critical or semi-critical device, as defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321). For purposes of the preceding sentence, the term “critical device” includes any device which is introduced directly into the human body, either into or in contact with the bloodstream or normally sterile areas of the body and the term “semi-critical device” includes any device which contacts intact mucous membranes but which does not ordinarily penetrate the blood barrier or otherwise enter normally sterile areas of the body.

(v) PLANT REGULATOR.—The term “plant regulator” means any substance or mixture of substances intended, through physiological action, for accelerating or retarding the rate of growth or rate of maturation, or for otherwise altering the behavior of plants or the produce thereof, but shall not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, and soil amendments. Also, the term “plant regulator” shall not be required to include any of such of those nutrient mixtures or soil amendments as are commonly known as vitamin-hormone horticultural products, intended for improvement, maintenance, survival, health, and propagation of plants, and as are not for pest destruction and are nontoxic, nonpoisonous in the undiluted packaged concentration.

(w) PRODUCER AND PRODUCE.—The term “producer” means the person who manufactures, prepares, compounds, propagates, or processes any pesticide or device or active ingredient used in producing a pesticide. The term “produce” means to manufacture, prepare, compound, propagate, or process any pesticide or device or active ingredient used in producing a pesticide. The dilution by individuals of formulated pesticides for their own use and according to the directions on registered labels shall not of itself result in such individuals being included in the definition of “producer” for the purposes of this Act.

(x) PROTECT HEALTH AND THE ENVIRONMENT.—The terms “protect health and the environment” and “protection of health and the environment” mean protection against any unreasonable adverse effects on the environment.

(y) REGISTRANT.—The term “registrant” means a person who has registered any pesticide pursuant to the provisions of this Act.

(z) REGISTRATION.—The term “registration” includes reregistration.

[(aa) STATE.—The term] (aa) STATE; STATE LEAD AGENCY.—

(1) STATE.—The term “State” means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Is-

lands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

(2) *STATE LEAD AGENCY.*—*The term “State lead agency” means a statewide department, agency, board, bureau, or other entity in a State that is authorized to regulate, in a manner consistent with section 24(a), the sale or use of any federally registered pesticide or device in such State.*

(bb) *UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.*—The term “unreasonable adverse effects on the environment” means (1) any unreasonable risk to man or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide, or (2) a human dietary risk from residues that result from a use of a pesticide in or on any food inconsistent with the standard under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a). The Administrator shall consider the risks and benefits of public health pesticides separate from the risks and benefits of other pesticides. In weighing any regulatory action concerning a public health pesticide under this Act, the Administrator shall weigh any risks of the pesticide against the health risks such as the diseases transmitted by the vector to be controlled by the pesticide.

(cc) *WEED.*—The term “weed” means any plant which grows where not wanted.

(dd) *ESTABLISHMENT.*—The term “establishment” means any place where a pesticide or device or active ingredient used in producing a pesticide is produced, or held, for distribution or sale.

(ee) *TO USE ANY REGISTERED PESTICIDE IN A MANNER INCONSISTENT WITH ITS LABELING.*—The term “to use any registered pesticide in a manner inconsistent with its labeling” means to use any registered pesticide in a manner not permitted by the labeling, except that the term shall not include (1) applying a pesticide at any dosage, concentration, or frequency less than that specified on the labeling unless the labeling specifically prohibits deviation from the specified dosage, concentration, or frequency, (2) applying a pesticide against any target pest not specified on the labeling if the application is to the crop, animal, or site specified on the labeling, unless the Administrator has required that the labeling specifically state that the pesticide may be used only for the pests specified on the labeling after the Administrator has determined that the use of the pesticide against other pests would cause an unreasonable adverse effect on the environment, (3) employing any method of application not prohibited by the labeling unless the labeling specifically states that the product may be applied only by the methods specified on the labeling, (4) mixing a pesticide or pesticides with a fertilizer when such mixture is not prohibited by the labeling, (5) any use of a pesticide in conformance with section 5, 18, or 24 of this Act, or (6) any use of a pesticide in a manner that the Administrator determines to be consistent with the purposes of this Act. After March 31, 1979, the term shall not include the use of a pesticide for agricultural or forestry purposes at a dilution less than label dosage unless before or after that date the Administrator issues a regulation or advisory opinion consistent with the study provided for in section 27(b) of the Federal Pesticide Act of 1978, which regulation or advisory opinion specifically requires the use of definite amounts of dilution.

(ff) OUTSTANDING DATA REQUIREMENT.—

(1) IN GENERAL.—The term “outstanding data requirement” means a requirement for any study, information, or data that is necessary to make a determination under section 3(c)(5) and which study, information, or data—

(A) has not been submitted to the Administrator; or

(B) if submitted to the Administrator, the Administrator has determined must be resubmitted because it is not valid, complete, or adequate to make a determination under section 3(c)(5) and the regulations and guidelines issued under such section.

(2) FACTORS.—In making a determination under paragraph (1)(B) respecting a study, the Administrator shall examine, at a minimum, relevant protocols, documentation of the conduct and analysis of the study, and the results of the study to determine whether the study and the results of the study fulfill the data requirement for which the study was submitted to the Administrator.

(gg) TO DISTRIBUTE OR SELL.—The term “to distribute or sell” means to distribute, sell, offer for sale, hold for distribution, hold for sale, hold for shipment, ship, deliver for shipment, release for shipment, or receive and (having so received) deliver or offer to deliver. The term does not include the holding or application of registered pesticides or use dilutions thereof by any applicator who provides a service of controlling pests without delivering any unapplied pesticide to any person so served.

(hh) NITROGEN STABILIZER.—The term “nitrogen stabilizer” means any substance or mixture of substances intended for preventing or hindering the process of nitrification, denitrification, ammonia volatilization, or urease production through action upon soil bacteria. Such term shall not include—

(1) dicyandiamide;

(2) ammonium thiosulfate; or

(3) any substance or mixture of substances.—

(A) that was not registered pursuant to section 3 prior to January 1, 1992; and

(B) that was in commercial agronomic use prior to January 1, 1992, with respect to which after January 1, 1992, the distributor or seller of the substance or mixture has made no specific claim of prevention or hindering of the process of nitrification, denitrification, ammonia volatilization urease production regardless of the actual use or purpose for, or future use or purpose for, the substance or mixture.

Statements made in materials required to be submitted to any State legislative or regulatory authority, or required by such authority to be included in the labeling or other literature accompanying any such substance or mixture shall not be deemed a specific claim within the meaning of this subsection.

(jj) MAINTENANCE APPLICATOR.—The term “maintenance applicator” means any individual who, in the principal course of such individual’s employment, uses, or supervises the use of, a pesticide not classified for restricted use (other than a ready to use consumer products pesticide); for the purpose of providing structural pest control or lawn pest control including janitors, general mainte-

nance personnel, sanitation personnel, and grounds maintenance personnel. The term “maintenance applicator” does not include private applicators as defined in section 2(e)(2); individuals who use antimicrobial pesticides, sanitizers or disinfectants; individuals employed by Federal, State, and local governments or any political subdivisions thereof, or individuals who use pesticides not classified for restricted use in or around their homes, boats, sod farms, nurseries, greenhouses, or other noncommercial property.

(kk) SERVICE TECHNICIAN.—The term “service technician” means any individual who uses or supervises the use of pesticides (other than a ready to use consumer products pesticide) for the purpose of providing structural pest control or lawn pest control on the property of another for a fee. The term “service technician” does not include individuals who use antimicrobial pesticides, sanitizers or disinfectants; or who otherwise apply ready to use consumer products pesticides.

(ll) MINOR USE.—The term “minor use” means the use of a pesticide on an animal, on a commercial agricultural crop or site, or for the protection of public health where—

(1) the total United States acreage for the crop is less than 300,000 acres, as determined by the Secretary of Agriculture; or

(2) the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant, the use does not provide sufficient economic incentive to support the initial registration or continuing registration of a pesticide for such use and—

(A) there are insufficient efficacious alternative registered pesticides available for the use;

(B) the alternatives to the pesticide use pose greater risks to the environment or human health;

(C) the minor use pesticide plays or will play a significant part in managing pest resistance; or

(D) the minor use pesticide plays or will play a significant part in an integrated pest management program.

The status as a minor use under this subsection shall continue as long as the Administrator has not determined that, based on existing data, such use may cause an unreasonable adverse effect on the environment and the use otherwise qualifies for such status.

(mm) ANTIMICROBIAL PESTICIDE.—

(1) IN GENERAL.—The term “antimicrobial pesticide” means a pesticide that—

(A) is intended to—

(i) disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms; or

(ii) protect inanimate objects, industrial processes or systems, surfaces, water, or other chemical substances from contamination, fouling, or deterioration caused by bacteria, viruses, fungi, protozoa, algae, or slime; and

(B) in the intended use is exempt from, or otherwise not subject to, a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a and 348) or a food additive regulation under section 409 of such Act.

(2) EXCLUDED PRODUCTS.—The term “antimicrobial pesticide” does not include —

(A) a wood preservative or antifouling paint product for which a claim of pesticidal activity other than or in addition to an activity described in paragraph (1) is made;

(B) an agricultural fungicide product; or

(C) an aquatic herbicide product.

(3) INCLUDED PRODUCTS.—The term “antimicrobial pesticide” does include any other chemical sterilant product (other than liquid chemical sterilant products exempt under subsection (u)), any other disinfectant product, any other industrial microbiocide product, and any other preservative product that is not excluded by paragraph (2).

(nn) PUBLIC HEALTH PESTICIDE.—The term “public health pesticide” means any minor use pesticide product registered for use and used predominantly in public health programs for vector control or for other recognized health protection uses, including the prevention or mitigation of viruses, bacteria, or other microorganisms (other than viruses, bacteria, or other microorganisms on or in living man or other living animal) that pose a threat to public health.

(oo) VECTOR.—The term “vector” means any organism capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including mosquitoes, flies, fleas, cockroaches, or other insects and ticks, mites, or rats.

SEC. 3. REGISTRATION OF PESTICIDES.

(a) REQUIREMENT OF REGISTRATION.—Except as provided by this Act, no person in any State may distribute or sell to any person any pesticide that is not registered under this Act. To the extent necessary to prevent unreasonable adverse effects on the environment, the Administrator may by regulation limit the distribution, sale, or use in any State of any pesticide that is not registered under this Act and that is not the subject of an experimental use permit under section 5 or an emergency exemption under section 18.

(b) EXEMPTIONS.—A pesticide which is not registered with the Administrator may be transferred if—

(1) the transfer is from one registered establishment to another registered establishment operated by the same producer solely for packaging at the second establishment or for use as a constituent part of another pesticide produced at the second establishment; or

(2) the transfer is pursuant to and in accordance with the requirements of an experimental use permit.

(c) PROCEDURE FOR REGISTRATION.—

(1) STATEMENT REQUIRED.—Each applicant for registration of a pesticide shall file with the Administrator a statement which includes—

(A) the name and address of the applicant and of any other person whose name will appear on the labeling;

(B) the name of the pesticide;

(C) a complete copy of the labeling of the pesticide, a statement of all claims to be made for it, and any directions for its use;

(D) the complete formula of the pesticide;

(E) a request that the pesticide be classified for general use or for restricted use, or for both; and

(F) except as otherwise provided in paragraph (2)(D), if requested by the Administrator, a full description of the tests made and the results thereof upon which the claims are based, or alternatively a citation to data that appear in the public literature or that previously had been submitted to the Administrator and that the Administrator may consider in accordance with the following provisions:

(i) With respect to pesticides containing active ingredients that are initially registered under this Act after the date of enactment of the Federal Pesticide Act of 1978, data submitted to support the application for the original registration of the pesticide, or an application for an amendment adding any new use to the registration and that pertains solely to such new use, shall not, without the written permission of the original data submitter, be considered by the Administrator to support an application by another person during a period of ten years following the date the Administrator first registers the pesticide, except that such permission shall not be required in the case of defensive data.

(ii) The period of exclusive data use provided under clause (i) shall be extended 1 additional year for each 3 minor uses registered after the date of enactment of this clause and within 7 years of the commencement of the exclusive use period, up to a total of 3 additional years for all minor uses registered by the Administrator if the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant, that—

(I) there are insufficient efficacious alternative registered pesticides available for the use;

(II) the alternatives to the minor use pesticide pose greater risks to the environment or human health;

(III) the minor use pesticide plays or will play a significant part in managing pest resistance; or

(IV) the minor use pesticide plays or will play a significant part in an integrated pest management program.

The registration of a pesticide for a minor use on a crop grouping established by the Administrator shall be considered for purposes of this clause 1 minor use for each representative crop for which data are provided in the crop grouping. Any additional exclusive use period under this clause shall be modified as appropriate or terminated if the registrant voluntarily cancels the product or deletes from the registration the minor uses which formed the basis for the extension of the additional exclusive use period or if the Administrator determines that the registrant is not actually marketing the product for such minor uses.

(iii) Except as otherwise provided in clause (i), with respect to data submitted after December 31, 1969, by an applicant or registrant to support an application for registration, experimental use permit, or amendment adding a new use to an existing registration, to support or maintain in effect an existing registration, or for reregistration, the Administrator may, without the permission of the original data submitter, consider any such item of data in support of an application by any other person (hereinafter in this subparagraph referred to as the "applicant") within the fifteen-year period following the date the data were originally submitted only if the applicant has made an offer to compensate the original data submitter and submitted such offer to the Administrator accompanied by evidence of delivery to the original data submitter of the offer. The terms and amount of compensation may be fixed by agreement between the original data submitter and the applicant, or, failing such agreement, binding arbitration under this subparagraph. If, at the end of ninety days after the date of delivery to the original data submitter of the offer to compensate, the original data submitter and the applicant have neither agreed on the amount and terms of compensation nor on a procedure for reaching an agreement on the amount and terms of compensation, either person may initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from the roster of arbitrators maintained by such Service. The procedure and rules of the Service shall be applicable to the selection of such arbitrator and to such arbitration proceedings, and the findings and determination of the arbitrator shall be final and conclusive, and no official or court of the United States shall have power or jurisdiction to review any such findings and determination, except for fraud, misrepresentation, or other misconduct by one of the parties to the arbitration or the arbitrator where there is a verified complaint with supporting affidavits attesting to specific instances of such fraud, misrepresentation, or other misconduct. The parties to the arbitration shall share equally in the payment of the fee and expenses of the arbitrator. If the Administrator determines that an original data submitter has failed to participate in a procedure for reaching an agreement or in an arbitration proceeding as required by this subparagraph, or failed to comply with the terms of an agreement or arbitration decision concerning compensation under this subparagraph, the original data submitter shall forfeit the right to compensation for the use of the data in support of the application. Notwithstanding any other provision of this Act, if the Administrator determines that an applicant has failed to participate in a procedure for reaching an agreement or in an arbitration proceeding as required

by this subparagraph, or failed to comply with the terms of an agreement or arbitration decision concerning compensation under this subparagraph, the Administrator shall deny the application or cancel the registration of the pesticide in support of which the data were used without further hearing. Before the Administrator takes action under either of the preceding two sentences, the Administrator shall furnish to the affected person, by certified mail, notice of intent to take action and allow fifteen days from the date of delivery of the notice for the affected person to respond. If a registration is denied or canceled under this subparagraph, the Administrator may make such order as the Administrator deems appropriate concerning the continued sale and use of existing stocks of such pesticide. Registration action by the Administrator shall not be delayed pending the fixing of compensation.

(iv) After expiration of any period of exclusive use and any period for which compensation is required for the use of an item of data under clauses (i), (ii), and (iii), the Administrator may consider such item of data in support of an application by any other applicant without the permission of the original data submitter and without an offer having been received to compensate the original data submitter for the use of such item of data.

(v) The period of exclusive use provided under clause (ii) shall not take effect until 1 year after enactment of this clause, except where an applicant or registrant is applying for the registration of a pesticide containing an active ingredient not previously registered.

(vi) With respect to data submitted after the date of enactment of this clause by an applicant or registrant to support an amendment adding a new use to an existing registration that does not retain any period of exclusive use, if such data relates solely to a minor use of a pesticide, such data shall not, without the written permission of the original data submitter, be considered by the Administrator to support an application for a minor use by another person during the period of 10 years following the date of submission of such data. The applicant or registrant at the time the new minor use is requested shall notify the Administrator that to the best of their knowledge the exclusive use period for the pesticide has expired and that the data pertaining solely to the minor use of a pesticide is eligible for the provisions of this paragraph. If the minor use registration which is supported by data submitted pursuant to this subsection is voluntarily canceled or if such data are subsequently used to support a nonminor use, the data shall no longer be subject to the exclusive use provisions of this clause but shall instead be considered by the Administrator in accordance with the provisions of clause (i), as appropriate.

(G) If the applicant is requesting that the registration or amendment to the registration of a pesticide be expedited, an explanation of the basis for the request must be submitted, in accordance with paragraph (10) of this subsection.

(2) DATA IN SUPPORT OF REGISTRATION.—

(A) IN GENERAL.—The Administrator shall publish guidelines specifying the kinds of information which will be required to support the registration of a pesticide and shall revise such guidelines from time to time. If thereafter the Administrator requires any additional kind of information under subparagraph (B) of this paragraph, the Administrator shall permit sufficient time for applicants to obtain such additional information. The Administrator, in establishing standards for data requirements for the registration of pesticides with respect to minor uses, shall make such standards commensurate with the anticipated extent of use, pattern of use, the public health and agricultural need for such minor use, and the level and degree of potential beneficial or adverse effects on man and the environment. The Administrator shall not require a person to submit, in relation to a registration or reregistration of a pesticide for minor agricultural use under this Act, any field residue data from a geographic area where the pesticide will not be registered for such use. In the development of these standards, the Administrator shall consider the economic factors of potential national volume of use, extent of distribution, and the impact of the cost of meeting the requirements on the incentives for any potential registrant to undertake the development of the required data. Except as provided by section 10, within 30 days after the Administrator registers a pesticide under this Act the Administrator shall make available to the public the data called for in the registration statement together with such other scientific information as the Administrator deems relevant to the Administrator's decision.

(B) ADDITIONAL DATA.—(i) If the Administrator determines that additional data are required to maintain in effect an existing registration of a pesticide, the Administrator shall notify all existing registrants of the pesticide to which the determination relates and provide a list of such registrants to any interested person.

(ii) Each registrant of such pesticide shall provide evidence within ninety days after receipt of notification that it is taking appropriate steps to secure the additional data that are required. Two or more registrants may agree to develop jointly, or to share in the cost of developing, such data if they agree and advise the Administrator of their intent within ninety days after notification. Any registrant who agrees to share in the cost of producing the data shall be entitled to examine and rely upon such data in support of maintenance of such registration. The Administrator shall issue a notice of intent to suspend the registration of a pesticide in accordance with the procedures prescribed

by clause (iv) if a registrant fails to comply with this clause.

(iii) If, at the end of sixty days after advising the Administrator of their agreement to develop jointly, or share in the cost of developing data, the registrants have not further agreed on the terms of the data development arrangement or on a procedure for reaching such agreement, any of such registrants may initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from the roster of arbitrators maintained by such Service. The procedure and rules of the Service shall be applicable to the selection of such arbitrator and to such arbitration proceedings, and the findings and determination of the arbitrator shall be final and conclusive, and no official or court of the United States shall have power or jurisdiction to review any such findings and determination, except for fraud, misrepresentation, or other misconduct by one of the parties to the arbitration or the arbitrator where there is a verified complaint with supporting affidavits attesting to specific instances of such fraud, misrepresentation, or other misconduct. All parties to the arbitration shall share equally in the payment of the fee and expenses of the arbitrator. The Administrator shall issue a notice of intent to suspend the registration of a pesticide in accordance with the procedures prescribed by clause (iv) if a registrant fails to comply with this clause.

(iv) Notwithstanding any other provision of this Act, if the Administrator determines that a registrant, within the time required by the Administrator, has failed to take appropriate steps to secure the data required under this subparagraph, to participate in a procedure for reaching agreement concerning a joint data development arrangement under this subparagraph or in an arbitration proceeding as required by this subparagraph, or to comply with the terms of an agreement or arbitration decision concerning a joint data development arrangement under this subparagraph, the Administrator may issue a notice of intent to suspend such registrant's registration of the pesticide for which additional data is required. The Administrator may include in the notice of intent to suspend such provisions as the Administrator deems appropriate concerning the continued sale and use of existing stocks of such pesticide. Any suspension proposed under this subparagraph shall become final and effective at the end of thirty days from receipt by the registrant of the notice of intent to suspend, unless during that time a request for hearing is made by a person adversely affected by the notice or the registrant has satisfied the Administrator that the registrant has complied fully with the requirements that served as a basis for the notice of intent to suspend. If a hearing is requested, a hearing shall be conducted under section 6(d) of this Act. The only matters for resolution at that hearing shall be whether the registrant has failed to take the action that served as the basis for the

notice of intent to suspend the registration of the pesticide for which additional data is required, and whether the Administrator's determination with respect to the disposition of existing stocks is consistent with this Act. If a hearing is held, a decision after completion of such hearing shall be final. Notwithstanding any other provision of this Act, a hearing shall be held and a determination made within seventy-five days after receipt of a request for such hearing. Any registration suspended under this subparagraph shall be reinstated by the Administrator if the Administrator determines that the registrant has complied fully with the requirements that served as a basis for the suspension of the registration.

(v) Any data submitted under this subparagraph shall be subject to the provisions of paragraph (1)(D). Whenever such data are submitted jointly by two or more registrants, an agent shall be agreed on at the time of the joint submission to handle any subsequent data compensation matters for the joint submitters of such data.

(vi) Upon the request of a registrant the Administrator shall, in the case of a minor use, extend the deadline for the production of residue chemistry data under this subparagraph for data required solely to support that minor use until the final deadline for submission of data under section 4 for the other uses of the pesticide established as of the date of enactment of the Food Quality Protection Act of 1996, if—

(I) the data to support other uses of the pesticide on a food are being provided;

(II) the registrant, in submitting a request for such an extension, provides a schedule, including interim dates to measure progress, to assure that the data production will be completed before the expiration of the extension period;

(III) the Administrator has determined that such extension will not significantly delay the Administrator's schedule for issuing a reregistration eligibility determination required under section 4; and

(IV) the Administrator has determined that based on existing data, such extension would not significantly increase the risk of any unreasonable adverse effect on the environment. If the Administrator grants an extension under this clause, the Administrator shall monitor the development of the data and shall ensure that the registrant is meeting the schedule for the production of the data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with clause (iv) regarding the continued registration of the affected products with the minor use and shall inform the public of such action. Notwithstanding the provisions of this clause, the Administrator may take action to modify or revoke the extension under this clause if the Administrator determines that the extension for

the minor use may cause an unreasonable adverse effect on the environment. In such circumstance, the Administrator shall provide, in writing to the registrant, a notice revoking the extension of time for submission of data. Such data shall instead be due in accordance with the date established by the Administrator for the submission of the data.

(vii) If the registrant does not commit to support a specific minor use of the pesticide, but is supporting and providing data in a timely and adequate fashion to support uses of the pesticide on a food, or if all uses of the pesticide are nonfood uses and the registrant does not commit to support a specific minor use of the pesticide but is supporting and providing data in a timely and adequate fashion to support other nonfood uses of the pesticide, the Administrator, at the written request of the registrant, shall not take any action pursuant to this clause in regard to such unsupported minor use until the final deadline established as of the date of enactment of the Food Quality Protection Act of 1996, for the submission of data under section 4 for the supported uses identified pursuant to this clause unless the Administrator determines that the absence of the data is significant enough to cause human health or environmental concerns. On the basis of such determination, the Administrator may refuse the request for extension by the registrant. Upon receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date upon which the uses not being supported will be voluntarily deleted from the registration pursuant to section 6(f)(1). If the Administrator grants an extension under this clause, the Administrator shall monitor the development of the data for the uses being supported and shall ensure that the registrant is meeting the schedule for the production of such data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with clause (iv) of this subparagraph regarding the continued registration of the affected products with the minor and other uses and shall inform the public of such action in accordance with section 6(f)(2). Notwithstanding the provisions of this clause, the Administrator may deny, modify, or revoke the temporary extension under this subparagraph if the Administrator determines that the continuation of the minor use may cause an unreasonable adverse effect on the environment. In the event of modification or revocation, the Administrator shall provide, in writing, to the registrant a notice revoking the temporary extension and establish a new effective date by which the minor use shall be deleted from the registration.

(viii)(I) If data required to support registration of a pesticide under subparagraph (A) is requested by a Federal or State regulatory authority, the Administrator shall, to the extent practicable, coordinate data requirements, test pro-

tocols, timetables, and standards of review and reduce burdens and redundancy caused to the registrant by multiple requirements on the registrant.

(II) The Administrator may enter into a cooperative agreement with a State to carry out subclause (I).

(III) Not later than 1 year after the date of enactment of this clause, the Administrator shall develop a process to identify and assist in alleviating future disparities between Federal and State data requirements.

(C) SIMPLIFIED PROCEDURES.—Within nine months after the date of enactment of this subparagraph, the Administrator shall, by regulation, prescribe simplified procedures for the registration of pesticides, which shall include the provisions of subparagraph (D) of this paragraph.

(D) EXEMPTION.—No applicant for registration of a pesticide who proposes to purchase a registered pesticide from another producer in order to formulate such purchased pesticide into the pesticide that is the subject of the application shall be required to—

(i) submit or cite data pertaining to such purchased product; or

(ii) offer to pay reasonable compensation otherwise required by paragraph (1)(D) of this subsection for the use of any such data.

(E) MINOR USE WAIVER.—In handling the registration of a pesticide for a minor use, the Administrator may waive otherwise applicable data requirements if the Administrator determines that the absence of such data will not prevent the Administrator from determining—

(i) the incremental risk presented by the minor use of the pesticide; and

(ii) that such risk, if any, would not be an unreasonable adverse effect on the environment.

(3) TIME FOR ACTING WITH RESPECT TO APPLICATION.—

(A) IN GENERAL.—The Administrator shall review the data after receipt of the application and shall, as expeditiously as possible, either register the pesticide in accordance with paragraph (5), or notify the applicant of the Administrator's determination that it does not comply with the provisions of the Act in accordance with paragraph (6).

(B) IDENTICAL OR SUBSTANTIALLY SIMILAR.—(i) The Administrator shall, as expeditiously as possible, review and act on any application received by the Administrator that—

(I) proposes the initial or amended registration of an end-use pesticide that, if registered as proposed, would be identical or substantially similar in composition and labeling to a currently-registered pesticide identified in the application, or that would differ in composition and labeling from such currently-registered pesticide only in ways that would not significantly increase the risk of unreasonable adverse effects on the environment; or

(II) proposes an amendment to the registration of a registered pesticide that does not require scientific review of data.

(ii) In expediting the review of an application for an action described in clause (i), the Administrator shall—

(I) review the application in accordance with section 33(f)(4)(B) and, if the application is found to be incomplete, reject the application;

(II) not later than the applicable decision review time established pursuant to section 33(f)(4)(B), or, if no review time is established, not later than 90 days after receiving a complete application, notify the registrant if the application has been granted or denied; and

(III) if the application is denied, notify the registrant in writing of the specific reasons for the denial of the application.

(C) MINOR USE REGISTRATION.—

(i) The Administrator shall, as expeditiously as possible, review and act on any complete application—

(I) that proposes the initial registration of a new pesticide active ingredient if the active ingredient is proposed to be registered solely for minor uses, or proposes a registration amendment solely for minor uses to an existing registration; or

(II) for a registration or a registration amendment that proposes significant minor uses.

(ii) For the purposes of clause (i)—

(I) the term “as expeditiously as possible” means that the Administrator shall, to the greatest extent practicable, complete a review and evaluation of all data, submitted with a complete application, within 12 months after the submission of the complete application, and the failure of the Administrator to complete such a review and evaluation under clause (i) shall not be subject to judicial review; and

(II) the term “significant minor uses” means 3 or more minor uses proposed for every nonminor use, a minor use that would, in the judgment of the Administrator, serve as a replacement for any use which has been canceled in the 5 years preceding the receipt of the application, or a minor use that in the opinion of the Administrator would avoid the reissuance of an emergency exemption under section 18 for that minor use.

(D) ADEQUATE TIME FOR SUBMISSION OF MINOR USE DATA.—If a registrant makes a request for a minor use waiver, regarding data required by the Administrator, pursuant to paragraph (2)(E), and if the Administrator denies in whole or in part such data waiver request, the registrant shall have a full-time period for providing such data. For purposes of this subparagraph, the term “full-time period” means the time period originally established by the Administrator for submission of such data, begin-

ning with the date of receipt by the registrant of the Administrator's notice of denial.

(4) NOTICE OF APPLICATION.—The Administrator shall publish in the Federal Register, promptly after receipt of the statement and other data required pursuant to paragraphs (1) and (2), a notice of each application for registration of any pesticide if it contains any new active ingredient or if it would entail a changed use pattern. The notice shall provide for a period of 30 days in which any Federal agency or any other interested person may comment.

(5) APPROVAL OF [REGISTRATION.—] [The Administrator] REGISTRATION.—

(A) IN GENERAL.—*The Administrator;* shall register a pesticide if the Administrator determines that, when considered with any restrictions imposed under subsection (d)—

[(A)] *(i)* its composition is such as to warrant the proposed claims for it;

[(B)] *(ii)* its labeling and other material required to be submitted comply with the requirements of this Act;

[(C)] *(iii)* it will perform its intended function without unreasonable adverse effects on the environment[; and];

[(D)] *(iv)* when used in accordance with widespread and commonly recognized practice it will not generally cause unreasonable adverse effects on the environment[.]; and

(v) when used in accordance with widespread and commonly recognized practice it is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly alter, in a manner that is likely to appreciably diminish its value, critical habitat for both the survival and recovery of such species.

[The Administrator shall not make any lack of essentiality a criterion for denying registration of any pesticide. Where two pesticides meet the requirements of this paragraph, one should not be registered in preference to the other. In considering an application for the registration of a pesticide, the Administrator may waive data requirements pertaining to efficacy, in which event the Administrator may register the pesticide without determining that the pesticide's composition is such as to warrant proposed claims of efficacy. If a pesticide is found to be efficacious by any State under section 24(c) of this Act, a presumption is established that the Administrator shall waive data requirements pertaining to efficacy for use of the pesticide in such State.]

(B) PRINCIPLES TO BE APPLIED TO CERTAIN DETERMINATIONS.—*In determining whether the condition specified in subparagraph (A)(v) is met, the Administrator shall take into account the best scientific and commercial information and data available, and shall consider all directions for use and restrictions on use specified by the registration. In making such determination, the Administrator shall use an*

economical and effective screening process that includes higher-tiered probabilistic ecological risk assessments, as appropriate. Notwithstanding any other provision of law, the Administrator shall not be required to consult or otherwise communicate with the Secretary of the Interior and the Secretary of Commerce except to the extent specified in subparagraphs (C) and (D).

(C) SPECIES INFORMATION AND DATA.—

(i) REQUEST.—Not later than 30 days after the Administrator begins any determination under subparagraph (A)(v) with respect to the registration of a pesticide, the Administrator shall request that the Secretary of the Interior and the Secretary of Commerce transmit, with respect to any federally listed threatened and endangered species involved in such determination, the Secretaries' best available and authoritative information and data on—

(I) the location, life history, habitat needs, distribution, threats, population trends and conservation needs of such species; and

(II) relevant physical and biological features of designated critical habitat for such species.

(ii) TRANSMISSION OF DATA.—After receiving a request under clause (i), the Secretary of the Interior and the Secretary of Commerce shall transmit the information described in such clause to the Administrator on a timely basis, unless the Secretary of the Interior and the Secretary of Commerce have made such information available through a web-based platform that is updated on at least a quarterly basis.

(iii) FAILURE TO TRANSMIT DATA.—The failure of the Secretary of the Interior or the Secretary of Commerce to provide information to the Administrator under clause (ii) shall not constitute grounds for extending any deadline for action under section 33(f).

(D) CONSULTATION.—

(i) IN GENERAL.—At the request of an applicant, the Administrator shall request consultation with the Secretary of the Interior and the Secretary of Commerce.

(ii) REQUIREMENTS.—With respect to a consultation under this subparagraph, the Administrator and the Secretary of the Interior and the Secretary of Commerce shall comply with subpart D of part 402 of title 50, Code of Federal Regulations (commonly known as the Joint Counterpart Endangered Species Act Section 7 Consultation), or successor regulations.

(E) FAILURE TO CONSULT.—

(i) NOT ACTIONABLE.—Notwithstanding any other provision of law, beginning on the date of the enactment of this subparagraph, the failure of the Administrator to consult with the Secretary of the Interior and the Secretary of Commerce, except as provided by this section, is not actionable in any Federal court.

(ii) REMEDY.—In any action pending in Federal court on the date of the enactment of this subparagraph or

any action brought in Federal court after such date, with respect to the Administrator's failure to consult with the Secretary of the Interior and the Secretary of Commerce, the sole and exclusive remedy for any such action, other than as otherwise specified in this Act, shall be scheduling the determinations required by section 3(c)(5)(E) for an active ingredient consistent with the periodic review of registrations established by this section.

(F) *ESSENTIALITY AND EFFICACY.*—The Administrator shall not make any lack of essentiality a criterion for denying registration of any pesticide. Where two pesticides meet the requirements of this paragraph, one should not be registered in preference to the other. In considering an application for the registration of a pesticide, the Administrator may waive data requirements pertaining to efficacy, in which event the Administrator may register the pesticide without determining that the pesticide's composition is such as to warrant proposed claims of efficacy. If a pesticide is found to be efficacious by any State under section 24(c), a presumption is established that the Administrator shall waive data requirements pertaining to efficacy for use of the pesticide in such State.

(6) *DENIAL OF REGISTRATION.*—If the Administrator determines that the requirements of paragraph (5) for registration are not satisfied, the Administrator shall notify the applicant for registration of the Administrator's determination and of the Administrator's reasons (including the factual basis) therefor, and that, unless the applicant corrects the conditions and notifies the Administrator thereof during the 30-day period beginning with the day after the date on which the applicant receives the notice, the Administrator may refuse to register the pesticide. Whenever the Administrator refuses to register a pesticide, the Administrator shall notify the applicant of the Administrator's decision and of the Administrator's reasons (including the factual basis) therefor. The Administrator shall promptly publish in the Federal Register notice of such denial of registration and the reasons therefor. Upon such notification, the applicant for registration or other interested person with the concurrence of the applicant shall have the same remedies as provided for in section 6.

(7) *REGISTRATION UNDER SPECIAL CIRCUMSTANCES.*—Notwithstanding the provisions of paragraph (5)—

(A) The Administrator may conditionally register or amend the registration of a pesticide if the Administrator determines that (i) the pesticide and proposed use are identical or substantially similar to any currently registered pesticide and use thereof, or differ only in ways that would not significantly increase the risk of unreasonable adverse effects on the environment, *and when used in accordance with widespread and commonly recognized practice, it is not likely to jeopardize the survival of a federally listed threatened or endangered species or appreciably diminish the value of critical habitat for both the survival and recovery of the listed species*, and (ii) approving the

registration or amendment in the manner proposed by the applicant would not significantly increase the risk of any unreasonable adverse effect on the environment *and it is not likely to jeopardize the survival of a federally listed threatened or endangered species or appreciably diminish the value of critical habitat for both the survival and recovery of the listed species*. An applicant seeking conditional registration or amended registration under this subparagraph shall submit such data as would be required to obtain registration of a similar pesticide under paragraph (5). If the applicant is unable to submit an item of data because it has not yet been generated, the Administrator may register or amend the registration of the pesticide under such conditions as will require the submission of such data not later than the time such data are required to be submitted with respect to similar pesticides already registered under this Act.

(B) The Administrator may conditionally amend the registration of a pesticide to permit additional uses of such pesticide notwithstanding that data concerning the pesticide may be insufficient to support an unconditional amendment, if the Administrator determines that (i) the applicant has submitted satisfactory data pertaining to the proposed additional use, and (ii) amending the registration in the manner proposed by the applicant would not significantly increase the risk of any unreasonable adverse effect on the environment *and it is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly appreciably diminish the value of critical habitat for both the survival and recovery of the listed species*. Notwithstanding the foregoing provisions of this subparagraph, no registration of a pesticide may be amended to permit an additional use of such pesticide if the Administrator has issued a notice stating that such pesticide, or any ingredient thereof, meets or exceeds risk criteria associated in whole or in part with human dietary exposure enumerated in regulations issued under this Act, and during the pendency of any risk-benefit evaluation initiated by such notice, if (I) the additional use of such pesticide involves a major food or feed crop, or (II) the additional use of such pesticide involves a minor food or feed crop and the Administrator determines, with the concurrence of the Secretary of Agriculture, there is available an effective alternative pesticide that does not meet or exceed such risk criteria. An applicant seeking amended registration under this subparagraph shall submit such data as would be required to obtain registration of a similar pesticide under paragraph (5). If the applicant is unable to submit an item of data (other than data pertaining to the proposed additional use) because it has not yet been generated, the Administrator may amend the registration under such conditions as will require the submission of such data not later than the time such data are required to be submitted with respect to similar pesticides already registered under this Act.

(C) The Administrator may conditionally register a pesticide containing an active ingredient not contained in any currently registered pesticide for a period reasonably sufficient for the generation and submission of required data (which are lacking because a period reasonably sufficient for generation of the data has not elapsed since the Administrator first imposed the data requirement) on the condition that by the end of such period the Administrator receives such data and the data do not meet or exceed risk criteria enumerated in regulations issued under this Act, and on such other conditions as the Administrator may prescribe. A conditional registration under this subparagraph shall be granted only if the Administrator determines that use of the pesticide during such period will not cause any unreasonable adverse effect on the environment, and that use of the pesticide is in the public interest.

(8) INTERIM ADMINISTRATIVE REVIEW.—Notwithstanding any other provision of this Act, the Administrator may not initiate a public interim administrative review process to develop a risk-benefit evaluation of the ingredients of a pesticide or any of its uses prior to initiating a formal action to cancel, suspend, or deny registration of such pesticide, required under this Act, unless such interim administrative process is based on a validated test or other significant evidence raising prudent concerns of unreasonable adverse risk to man or to the environment. Notice of the definition of the terms “validated test” and “other significant evidence” as used herein shall be published by the Administrator in the Federal Register.

(9) LABELING.—

(A) ADDITIONAL STATEMENTS.—Subject to subparagraphs (B) and (C), it shall not be a violation of this Act for a registrant to modify the labeling of an antimicrobial pesticide product to include relevant information on product efficacy, product composition, container composition or design, or other characteristics that do not relate to any pesticidal claim or pesticidal activity.

(B) REQUIREMENTS.—Proposed labeling information under subparagraph (A) shall not be false or misleading, shall not conflict with or detract from any statement required by law or the Administrator as a condition of registration, and shall be substantiated on the request of the Administrator.

(C) NOTIFICATION AND DISAPPROVAL.—

(i) NOTIFICATION.—A registration may be modified under subparagraph (A) if —

(I) the registrant notifies the Administrator in writing not later than 60 days prior to distribution or sale of a product bearing the modified labeling; and

(II) the Administrator does not disapprove of the modification under clause (ii).

(ii) DISAPPROVAL.—Not later than 30 days after receipt of a notification under clause (i), the Administrator may disapprove the modification by sending the registrant notification in writing stating that the pro-

posed language is not acceptable and stating the reasons why the Administrator finds the proposed modification unacceptable.

(iii) RESTRICTION ON SALE.—A registrant may not sell or distribute a product bearing a disapproved modification.

(iv) OBJECTION.—A registrant may file an objection in writing to a disapproval under clause (ii) not later than 30 days after receipt of notification of the disapproval.

(v) FINAL ACTION.—A decision by the Administrator following receipt and consideration of an objection filed under clause (iv) shall be considered a final agency action.

(D) USE DILUTION.—The label or labeling required under this Act for an antimicrobial pesticide that is or may be diluted for use may have a different statement of caution or protective measures for use of the recommended diluted solution of the pesticide than for use of a concentrate of the pesticide if the Administrator determines that —

(i) adequate data have been submitted to support the statement proposed for the diluted solution uses; and

(ii) the label or labeling provides adequate protection for exposure to the diluted solution of the pesticide.

(10) EXPEDITED REGISTRATION OF PESTICIDES.—

(A) Not later than 1 year after the date of enactment of this paragraph, the Administrator shall, utilizing public comment, develop procedures and guidelines, and expedite the review of an application for registration of a pesticide or an amendment to a registration that satisfies such guidelines.

(B) Any application for registration or an amendment, including biological and conventional pesticides, will be considered for expedited review under this paragraph. An application for registration or an amendment shall qualify for expedited review if use of the pesticide proposed by the application may reasonably be expected to accomplish 1 or more of the following:

(i) Reduce the risks of pesticides to human health.

(ii) Reduce the risks of pesticides to nontarget organisms.

(iii) Reduce the potential for contamination of groundwater, surface water, or other valued environmental resources.

(iv) Broaden the adoption of integrated pest management strategies, or make such strategies more available or more effective.

(C) The Administrator, not later than 30 days after receipt of an application for expedited review, shall notify the applicant whether the application is complete. If it is found to be incomplete, the Administrator may either reject the request for expedited review or ask the applicant

for additional information to satisfy the guidelines developed under subparagraph (A).

(d) CLASSIFICATION OF PESTICIDES.—

(1) CLASSIFICATION FOR GENERAL USE, RESTRICTED USE, OR BOTH.—

(A) As a part of the registration of a pesticide the Administrator shall classify it as being for general use or for restricted use. If the Administrator determines that some of the uses for which the pesticide is registered should be for general use and that other uses for which it is registered should be for restricted use, the Administrator shall classify it for both general use and restricted use. Pesticide uses may be classified by regulation on the initial classification and registered pesticides may be classified prior to reregistration. If some of the uses of the pesticide are classified for general use and other uses are classified for restricted use, the directions relating to its general uses shall be clearly separated and distinguished from those directions relating to its restricted uses. The Administrator may require that its packaging and labeling for restricted uses shall be clearly distinguishable from its packaging and labeling for general uses.

(B) If the Administrator determines that the pesticide, when applied in accordance with its directions for use, warnings and cautions and for the uses for which it is registered, or for one or more of such uses, or in accordance with a widespread and commonly recognized practice, will not generally cause unreasonable adverse effects on the environment, the Administrator will classify the pesticide, or the particular use or uses of the pesticide to which the determination applies, for general use.

(C) If the Administrator determines that the pesticide, when applied in accordance with its directions for use, warnings and cautions and for the uses for which it is registered, or for one or more of such uses, or in accordance with a widespread and commonly recognized practice, may generally cause, without additional regulatory restrictions, unreasonable adverse effects on the environment, including injury to the applicator, the Administrator shall classify the pesticide, or the particular use or uses to which the determination applies, for restricted use:

(i) If the Administrator classifies a pesticide, or one or more uses of such pesticide, for restricted use because of a determination that the acute dermal or inhalation toxicity of the pesticide presents a hazard to the applicator or other persons, the pesticide shall be applied for any use to which the restricted classification applies only by or under the direct supervision of a certified applicator.

(ii) If the Administrator classifies a pesticide, or one or more uses of such pesticide, for restricted use because of a determination that its use without additional regulatory restriction may cause unreasonable adverse effects on the environment, the pesticide shall be applied for any use to which the determination ap-

plies only by or under the direct supervision of a certified applicator, or subject to such other restrictions as the Administrator may provide by regulation. Any such regulation shall be reviewable in the appropriate court of appeals upon petition of a person adversely affected filed within 60 days of the publication of the regulation in final form.

(2) CHANGE IN CLASSIFICATION.—If the Administrator determines that a change in the classification of any use of a pesticide from general use to restricted use is necessary to prevent unreasonable adverse effects on the environment, the Administrator shall notify the registrant of such pesticide of such determination at least forty-five days before making the change and shall publish the proposed change in the Federal Register. The registrant, or other interested person with the concurrence of the registrant, may seek relief from such determination under section 6(b).

(3) CHANGE IN CLASSIFICATION FROM RESTRICTED USE TO GENERAL USE.—The registrant of any pesticide with one or more uses classified for restricted use may petition the Administrator to change any such classification from restricted to general use. Such petition shall set out the basis for the registrant's position that restricted use classification is unnecessary because classification of the pesticide for general use would not cause unreasonable adverse effects on the environment. The Administrator, within sixty days after receiving such petition, shall notify the registrant whether the petition has been granted or denied. Any denial shall contain an explanation therefor and any such denial shall be subject to judicial review under section 16 of this Act.

(e) PRODUCTS WITH SAME FORMULATION AND CLAIMS.—Products which have the same formulation, are manufactured by the same person, the labeling of which contains the same claims, and the labels of which bear a designation identifying the product as the same pesticide may be registered as a single pesticide; and additional names and labels shall be added to the registration by supplemental statements.

(f) MISCELLANEOUS.—

(1) EFFECT OF CHANGE OF LABELING OR FORMULATION.—If the labeling or formulation for a pesticide is changed, the registration shall be amended to reflect such change if the Administrator determines that the change will not violate any provision of this Act.

(2) REGISTRATION NOT A DEFENSE.—In no event shall registration of an article be construed as a defense for the commission of any offense under this Act. As long as no cancellation proceedings are in effect registration of a pesticide shall be prima facie evidence that the pesticide, its labeling and packaging comply with the registration provisions of the Act.

(3) AUTHORITY TO CONSULT OTHER FEDERAL AGENCIES.—In connection with consideration of any registration or application for registration under this section, the Administrator may consult with any other Federal agency.

(4) MIXTURES OF NITROGEN STABILIZERS AND FERTILIZER PRODUCTS.—Any mixture or other combination of—

(A) 1 or more nitrogen stabilizers registered under this Act; and

(B) 1 or more fertilizer products, shall not be subject to the provisions of this section or sections 4, 5, 7, 15, and 17(a)(2) if the mixture or other combination is accompanied by the labeling required under this Act for the nitrogen stabilizer contained in the mixture or other combination, the mixture or combination is mixed or combined in accordance with such labeling, and the mixture or combination does not contain any active ingredient other than the nitrogen stabilizer.

(5) *USE OF AUTHORIZED PESTICIDES.*—*Except as provided in section 402(s) of the Federal Water Pollution Control Act, the Administrator or a State may not require a permit under such Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under this Act, or the residue of such a pesticide, resulting from the application of such pesticide.*

(g) REGISTRATION REVIEW.—

(1)(A) GENERAL RULE.—

(i) IN GENERAL.—The registrations of pesticides are to be periodically reviewed.

(ii) REGULATIONS.—In accordance with this subparagraph, the Administrator shall by regulation establish a procedure for accomplishing the periodic review of registrations.

(iii) INITIAL REGISTRATION REVIEW.—The Administrator shall complete the registration review of each pesticide or pesticide case, which may be composed of 1 or more active ingredients and the products associated with the active ingredients, not later than the later of—

(I) October 1, 2022; or

(II) the date that is 15 years after the date on which the first pesticide containing a new active ingredient is registered.

(iv) SUBSEQUENT REGISTRATION REVIEW.—Not later than 15 years after the date on which the initial registration review is completed under clause (iii) and each 15 years thereafter, the Administrator shall complete a subsequent registration review for each pesticide or pesticide case.

(v) CANCELLATION.—No registration shall be canceled as a result of the registration review process unless the Administrator follows the procedures and substantive requirements of section 6.

(vi) *ENSURING PROTECTION OF SPECIES AND HABITAT.*—*The Administrator shall complete the determination required under subsection (c)(5)(A)(v) for an active ingredient consistent with the periodic review of registrations under clauses (ii) and (iii) in accordance with the following schedule:*

(I) *With respect to any active ingredient first registered on or before October 1, 2007, not later than October 1, 2026.*

(II) *With respect to any active ingredient first registered between October 1, 2007, and the day before the*

date of the enactment of this clause, not later than October 1, 2033.

(III) With respect to any active ingredient first registered on or after the date of the enactment of this clause, not later than 48 months after the effective date of registration.

(B) DOCKETING.—

(i) IN GENERAL.—Subject to clause (ii), after meeting with 1 or more individuals that are not government employees to discuss matters relating to a registration review, the Administrator shall place in the docket minutes of the meeting, a list of attendees, and any documents exchanged at the meeting, not later than the earlier of—

(I) the date that is 45 days after the meeting; or

(II) the date of issuance of the registration review decision.

(ii) PROTECTED INFORMATION.—The Administrator shall identify, but not include in the docket, any confidential business information the disclosure of which is prohibited by section 10.

(C) LIMITATION.—Nothing in this subsection shall prohibit the Administrator from undertaking any other review of a pesticide pursuant to this Act.

(2)(A) DATA.—The Administrator shall use the authority in subsection (c)(2)(B) to require the submission of data when such data are necessary for a registration review.

(B) DATA SUBMISSION, COMPENSATION, AND EXEMPTION.—For purposes of this subsection, the provisions of subsections (c)(1), (c)(2)(B), and (c)(2)(D) shall be utilized for and be applicable to any data required for registration review.

(h) REGISTRATION REQUIREMENTS FOR ANTIMICROBIAL PESTICIDES.—

(1) EVALUATION OF PROCESS.—To the maximum extent practicable consistent with the degrees of risk presented by an antimicrobial pesticide and the type of review appropriate to evaluate the risks, the Administrator shall identify and evaluate reforms to the antimicrobial registration process that would reduce review periods existing as of the date of enactment of this subsection for antimicrobial pesticide product registration applications and applications for amended registration of antimicrobial pesticide products, including—

(A) new antimicrobial active ingredients;

(B) new antimicrobial end-use products;

(C) substantially similar or identical antimicrobial pesticides; and

(D) amendments to antimicrobial pesticide registrations.

(2) REVIEW TIME PERIOD REDUCTION GOAL.—Each reform identified under paragraph (1) shall be designed to achieve the goal of reducing the review period following submission of a complete application, consistent with the degree of risk, to a period of not more than—

(A) 540 days for a new antimicrobial active ingredient pesticide registration;

(B) 270 days for a new antimicrobial use of a registered active ingredient;

- (C) 120 days for any other new antimicrobial product;
- (D) 90 days for a substantially similar or identical antimicrobial product;
- (E) 90 days for an amendment to an antimicrobial registration that does not require scientific review of data; and
- (F) 120 days for an amendment to an antimicrobial registration that requires scientific review of data and that is not otherwise described in this paragraph.

(3) IMPLEMENTATION.—

(A) PROPOSED RULEMAKING.—

(i) ISSUANCE.—Not later than 270 days after the date of enactment of this subsection, the Administrator shall publish in the Federal Register proposed regulations to accelerate and improve the review of antimicrobial pesticide products designed to implement, to the extent practicable, the goals set forth in paragraph (2).

(ii) REQUIREMENTS.—Proposed regulations issued under clause (i) shall—

(I) define the various classes of antimicrobial use patterns, including household, industrial, and institutional disinfectants and sanitizing pesticides, preservatives, water treatment, and pulp and paper mill additives, and other such products intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms, or protect inanimate objects, industrial processes or systems, surfaces, water, or other chemical substances from contamination, fouling, or deterioration caused by bacteria, viruses, fungi, protozoa, algae, or slime;

(II) differentiate the types of review undertaken for antimicrobial pesticides;

(III) conform the degree and type of review to the risks and benefits presented by antimicrobial pesticides and the function of review under this Act, considering the use patterns of the product, toxicity, expected exposure, and product type;

(IV) ensure that the registration process is sufficient to maintain antimicrobial pesticide efficacy and that antimicrobial pesticide products continue to meet product performance standards and effectiveness levels for each type of label claim made; and

(V) implement effective and reliable deadlines for process management.

(iii) COMMENTS.—In developing the proposed regulations, the Administrator shall solicit the views from registrants and other affected parties to maximize the effectiveness of the rule development process.

(B) FINAL REGULATIONS.—

(i) ISSUANCE.—The Administrator shall issue final regulations not later than 240 days after the close of the comment period for the proposed regulations.

(ii) **FAILURE TO MEET GOAL.**—If a goal described in paragraph (2) is not met by the final regulations, the Administrator shall identify the goal, explain why the goal was not attained, describe the element of the regulations included instead, and identify future steps to attain the goal.

(iii) **REQUIREMENTS.**—In issuing final regulations, the Administrator shall—

(I) consider the establishment of a certification process for regulatory actions involving risks that can be responsibly managed, consistent with the degree of risk, in the most cost-efficient manner;

(II) consider the establishment of a certification process by approved laboratories as an adjunct to the review process;

(III) use all appropriate and cost-effective review mechanisms, including—

(aa) expanded use of notification and non-notification procedures;

(bb) revised procedures for application review; and

(cc) allocation of appropriate resources to ensure streamlined management of antimicrobial pesticide registrations; and

(IV) clarify criteria for determination of the completeness of an application.

(C) **EXPEDITED REVIEW.**—This subsection does not affect the requirements or extend the deadlines or review periods contained in subsection (c)(3).

(D) **ALTERNATIVE REVIEW PERIODS.**—If the final regulations to carry out this paragraph are not effective 630 days after the date of enactment of this subsection, until the final regulations become effective, the review period, beginning on the date of receipt by the Agency of a complete application, shall be—

(i) 2 years for a new antimicrobial active ingredient pesticide registration;

(ii) 1 year for a new antimicrobial use of a registered active ingredient;

(iii) 180 days for any other new antimicrobial product;

(iv) 90 days for a substantially similar or identical antimicrobial product;

(v) 90 days for an amendment to an antimicrobial registration that does not require scientific review of data; and

(vi) 120 days for an amendment to an antimicrobial registration that requires scientific review of data and that is not otherwise described in this subparagraph.

(E) **WOOD PRESERVATIVES.**—An application for the registration, or for an amendment to the registration, of a wood preservative product for which a claim of pesticidal activity listed in section 2(mm) is made (regardless of any other pesticidal claim that is made with respect to the product) shall be reviewed by the Administrator within the

same period as that established under this paragraph for an antimicrobial pesticide product application, consistent with the degree of risk posed by the use of the wood preservative product, if the application requires the applicant to satisfy the same data requirements as are required to support an application for a wood preservative product that is an antimicrobial pesticide.

(F) NOTIFICATION.—

(i) IN GENERAL.—Subject to clause (iii), the Administrator shall notify an applicant whether an application has been granted or denied not later than the final day of the appropriate review period under this paragraph, unless the applicant and the Administrator agree to a later date.

(ii) FINAL DECISION.—If the Administrator fails to notify an applicant within the period of time required under clause (i), the failure shall be considered an agency action unlawfully withheld or unreasonably delayed for purposes of judicial review under chapter 7 of title 5, United States Code.

(iii) EXEMPTION.—This subparagraph does not apply to an application for an antimicrobial pesticide that is filed under subsection (c)(3)(B) prior to 90 days after the date of enactment of this subsection

(iv) LIMITATION.—Notwithstanding clause (ii), the failure of the Administrator to notify an applicant for an amendment to a registration for an antimicrobial pesticide shall not be judicially reviewable in a Federal or State court if the amendment requires scientific review of data within—

(I) the time period specified in subparagraph (D)(vi), in the absence of a final regulation under subparagraph (B); or

(II) the time period specified in paragraph (2)(F), if adopted in a final regulation under subparagraph (B).

(4) ANNUAL REPORT.—

(A) SUBMISSION.—Beginning on the date of enactment of this subsection and ending on the date that the goals under paragraph (2) are achieved, the Administrator shall, not later than March 1 of each year, prepare and submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(B) REQUIREMENTS.—A report submitted under subparagraph (A) shall include a description of—

(i) measures taken to reduce the backlog of pending registration applications;

(ii) progress toward achieving reforms under this subsection; and

(iii) recommendations to improve the activities of the Agency pertaining to antimicrobial registrations.

* * * * *

SEC. 5. EXPERIMENTAL USE PERMITS.

(a) **ISSUANCE.**—Any person may apply to the Administrator for an experimental use permit for a pesticide. The Administrator shall review the application. After completion of the review, but not later than one hundred and twenty days after receipt of the application and all required supporting data, the Administrator shall either issue the permit or notify the applicant of the Administrator's determination not to issue the permit and the reasons therefor. The applicant may correct the application or request a waiver of the conditions for such permit within thirty days of receipt by the applicant of such notification. The Administrator may issue an experimental use permit only if the Administrator determines that the applicant needs such permit in order to accumulate information necessary to register a pesticide under section 3 of this Act *and that the issuance of such a permit is not likely to jeopardize the survival of a federally listed threatened or endangered species or diminish the value of critical habitat for both the survival and recovery of the listed species.* An application for an experimental use permit may be filed at any time.

(b) **TEMPORARY TOLERANCE LEVEL.**—If the Administrator determines that the use of a pesticide may reasonably be expected to result in any residue on or in food or feed, the Administrator may establish a temporary tolerance level for the residue of the pesticide before issuing the experimental use permit.

(c) **USE UNDER PERMIT.**—Use of a pesticide under an experimental use permit shall be under the supervision of the Administrator, and shall be subject to such terms and conditions and be for such period of time as the Administrator may prescribe in the permit.

(d) **STUDIES.**—When any experimental use permit is issued for a pesticide containing any chemical or combination of chemicals which has not been included in any previously registered pesticide, the Administrator may specify that studies be conducted to detect whether the use of the pesticide under the permit may cause unreasonable adverse effects on the environment. All results of such studies shall be reported to the Administrator before such pesticide may be registered under section 3.

(e) **REVOCATION.**—The Administrator may revoke any experimental use permit, at any time, if the Administrator finds that its terms or conditions are being violated, or that its terms and conditions are inadequate to avoid unreasonable adverse effects on the environment.

(f) **STATE ISSUANCE OF PERMITS.**—Notwithstanding the foregoing provisions of this section, the Administrator shall, under such terms and conditions as the Administrator may by regulations prescribe, authorize any State to issue an experimental use permit for a pesticide. All provisions of section 11 relating to State plans shall apply with equal force to a State plan for the issuance of experimental use permits under this section.

(g) **EXEMPTION FOR AGRICULTURAL RESEARCH AGENCIES.**—Notwithstanding the foregoing provisions of this section, the Administrator may issue an experimental use permit for a pesticide to any public or private agricultural research agency or educational institution which applies for such permit. Each permit shall not exceed more than a one-year period or such other specific time as the Ad-

ministrator may prescribe. Such permit shall be issued under such terms and conditions restricting the use of the pesticide as the Administrator may require. Such pesticide may be used only by such research agency or educational institution for purposes of experimentation.

SEC. 6. ADMINISTRATIVE REVIEW; SUSPENSION.

(a) EXISTING STOCKS AND INFORMATION.—

(1) EXISTING STOCKS.—The Administrator may permit the continued sale and use of existing stocks of a pesticide whose registration is suspended or canceled under this section, or section 3 or 4, to such extent, under such conditions, and for such uses as the Administrator determines that such sale or use is not inconsistent with the purposes of this Act.

(2) INFORMATION.—If at any time after the registration of a pesticide the registrant has additional factual information regarding unreasonable adverse effects on the environment of the pesticide, the registrant shall submit such information to the Administrator.

(b) CANCELLATION AND CHANGE IN CLASSIFICATION.—If it appears to the Administrator that a pesticide or its labeling or other material required to be submitted does not comply with the provisions of this Act or, when used in accordance with widespread and commonly recognized practice, generally causes unreasonable adverse effects on the environment or *does not meet the criteria specified in section 3(c)(5)(A)(v)*, the Administrator may issue a notice of the Administrator's intent either—

(1) to cancel its registration or to change its classification together with the reasons (including the factual basis) for the Administrator's action, or

(2) to hold a hearing to determine whether or not its registration should be canceled or its classification changed.

Such notice shall be sent to the registrant and made public. In determining whether to issue any such notice, the Administrator shall include among those factors to be taken into account the impact of the action proposed in such notice on production and prices of agricultural commodities, retail food prices, and otherwise on the agricultural economy. At least 60 days prior to sending such notice to the registrant or making public such notice, whichever occurs first, the Administrator shall provide the Secretary of Agriculture with a copy of such notice and an analysis of such impact on the agricultural economy. If the Secretary comments in writing to the Administrator regarding the notice and analysis within 30 days after receiving them, the Administrator shall publish in the Federal Register (with the notice) the comments of the Secretary and the response of the Administrator with regard to the Secretary's comments. If the Secretary does not comment in writing to the Administrator regarding the notice and analysis within 30 days after receiving them, the Administrator may notify the registrant and make public the notice at any time after such 30-day period notwithstanding the foregoing 60-day time requirement. The time requirements imposed by the preceding 3 sentences may be waived or modified to the extent agreed upon by the Administrator and the Secretary. Notwithstanding any other provision of this subsection (b) and section 25(d), in the event that the Administrator determines that suspension of a pesticide registration is necessary to

prevent an imminent hazard to human health, then upon such a finding the Administrator may waive the requirement of notice to and consultation with the Secretary of Agriculture pursuant to subsection (b) and of submission to the Scientific Advisory Panel pursuant to section 25(d) and proceed in accordance with subsection (c). When a public health use is affected, the Secretary of Health and Human Services should provide available benefits and use information, or an analysis thereof, in accordance with the procedures followed and subject to the same conditions as the Secretary of Agriculture in the case of agricultural pesticides. The proposed action shall become final and effective at the end of 30 days from receipt by the registrant, or publication, of a notice issued under paragraph (1), whichever occurs later, unless within that time either (i) the registrant makes the necessary corrections, if possible, or (ii) a request for a hearing is made by a person adversely affected by the notice. In the event a hearing is held pursuant to such a request or to the Administrator's determination under paragraph (2), a decision pertaining to registration or classification issued after completion of such hearing shall be final. In taking any final action under this subsection, the Administrator shall consider restricting a pesticide's use or uses as an alternative to cancellation and shall fully explain the reasons for these restrictions, and shall include among those factors to be taken into account the impact of such final action on production and prices of agricultural commodities, retail food prices, and otherwise on the agricultural economy, and the Administrator shall publish in the Federal Register an analysis of such impact.

(c) SUSPENSION.—

(1) ORDER.—If the Administrator determines that action is necessary to prevent an imminent hazard during the time required for cancellation or change in classification proceedings, the Administrator may, by order, suspend the registration of the pesticide immediately. Except as provided in paragraph (3), no order of suspension may be issued under this subsection unless the Administrator has issued, or at the same time issues, a notice of intention to cancel the registration or change the classification of the pesticide under subsection (b). Except as provided in paragraph (3), the Administrator shall notify the registrant prior to issuing any suspension order. Such notice shall include findings pertaining to the question of "imminent hazard". The registrant shall then have an opportunity, in accordance with the provisions of paragraph (2), for an expedited hearing before the Administrator on the question of whether an imminent hazard exists.

(2) EXPEDITE HEARING.—If no request for a hearing is submitted to the Administrator within five days of the registrant's receipt of the notification provided for by paragraph (1), the suspension order may be issued and shall take effect and shall not be reviewable by a court. If a hearing is requested, it shall commence within five days of the receipt of the request for such hearing unless the registrant and the Administrator agree that it shall commence at a later time. The hearing shall be held in accordance with the provisions of subchapter II of title 5 of the United States Code, except that the presiding officer need not be a certified hearing examiner. The presiding of-

ficer shall have ten days from the conclusion of the presentation of evidence to submit recommended findings and conclusions to the Administrator, who shall then have seven days to render a final order on the issue of suspension.

(3) EMERGENCY ORDER.—Whenever the Administrator determines that an emergency exists that does not permit the Administrator to hold a hearing before suspending, the Administrator may issue a suspension order in advance of notification to the registrant. The Administrator may issue an emergency order under this paragraph before issuing a notice of intention to cancel the registration or change the classification of the pesticide under subsection (b) and the Administrator shall proceed to issue the notice under subsection (b) within 90 days of issuing an emergency order. If the Administrator does not issue a notice under subsection (b) within 90 days of issuing an emergency order, the emergency order shall expire. In the case of an emergency order, paragraph (2) shall apply except that (A) the order of suspension shall be in effect pending the expeditious completion of the remedies provided by that paragraph and the issuance of a final order on suspension, and (B) no party other than the registrant and the Administrator shall participate except that any person adversely affected may file briefs within the time allotted by the Administrator's rules. Any person so filing briefs shall be considered a party to such proceeding for the purposes of section 16(b).

(4) JUDICIAL REVIEW.—A final order on the question of suspension following a hearing shall be reviewable in accordance with Section 16 of this Act, notwithstanding the fact that any related cancellation proceedings have not been completed. Any order of suspension entered prior to a hearing before the Administrator shall be subject to immediate review in an action by the registrant or other interested person with the concurrence of the registrant in an appropriate district court, solely to determine whether the order of suspension was arbitrary, capricious or an abuse of discretion, or whether the order was issued in accordance with the procedures established by law. The effect of any order of the court will be only to stay the effectiveness of the suspension order, pending the Administrator's final decision with respect to cancellation or change in classification. This action may be maintained simultaneously with any administrative review proceeding under this section. The commencement of proceedings under this paragraph shall not operate as a stay of order, unless ordered by the court.

(d) PUBLIC HEARINGS AND SCIENTIFIC REVIEW.—In the event a hearing is requested pursuant to subsection (b) or determined upon by the Administrator pursuant to subsection (b), such hearing shall be held after due notice for the purpose of receiving evidence relevant and material to the issues raised by the objections filed by the applicant or other interested parties, or to the issues stated by the Administrator, if the hearing is called by the Administrator rather than by the filing of objections. Upon a showing of relevance and reasonable scope of evidence sought by any party to a public hearing, the Hearing Examiner shall issue a subpoena to compel testimony or production of documents from any person. The Hearing Examiner shall be guided by the principles of the Federal Rules

of Civil Procedure in making any order for the protection of the witness or the content of documents produced and shall order the payment of reasonable fees and expenses as a condition to requiring testimony of the witness. On contest, the subpoena may be enforced by an appropriate United States district court in accordance with the principles stated herein. Upon the request of any party to a public hearing and when in the Hearing Examiner's judgment it is necessary or desirable, the Hearing Examiner shall at any time before the hearing record is closed refer to a Committee of the National Academy of Sciences the relevant questions of scientific fact involved in the public hearing. No member of any committee of the National Academy of Sciences established to carry out the functions of this section shall have a financial or other conflict of interest with respect to any matter considered by such committee. The Committee of the National Academy of Sciences shall report in writing to the Hearing Examiner within 60 days after such referral on these questions of scientific fact. The report shall be made public and shall be considered as part of the hearing record. The Administrator shall enter into appropriate arrangements with the National Academy of Sciences to assure an objective and competent scientific review of the questions presented to Committees of the Academy and to provide such other scientific advisory services as may be required by the Administrator for carrying out the purposes of this Act. As soon as practicable after completion of the hearing (including the report of the Academy) but not later than 90 days thereafter, the Administrator shall evaluate the data and reports before the Administrator and issue an order either revoking the Administrator's notice of intention issued pursuant to this section, or shall issue an order either canceling the registration, changing the classification, denying the registration, or requiring modification of the labeling or packaging of the article. Such order shall be based only on substantial evidence of record of such hearing and shall set forth detailed findings of fact upon which the order is based.

(e) CONDITIONAL REGISTRATION.—

(1) The Administrator shall issue a notice of intent to cancel a registration issued under section 3(c)(7) of this Act if (A) the Administrator, at any time during the period provided for satisfaction of any condition imposed, determines that the registrant has failed to initiate and pursue appropriate action toward fulfilling any condition imposed, or (B) at the end of the period provided for satisfaction of any condition imposed, that condition has not been met. The Administrator may permit the continued sale and use of existing stocks of a pesticide whose conditional registration has been canceled under this subsection to such extent, under such conditions, and for such uses as the Administrator may specify if the Administrator determines that such sale or use is not inconsistent with the purposes of this Act and will not have unreasonable adverse effects on the environment.

(2) A cancellation proposed under this subsection shall become final and effective at the end of thirty days from receipt by the registrant of the notice of intent to cancel unless during that time a request for hearing is made by a person adversely affected by the notice. If a hearing is requested, a hearing shall

be conducted under subsection (d) of this section. The only matters for resolution at that hearing shall be whether the registrant has initiated and pursued appropriate action to comply with the condition or conditions within the time provided or whether the condition or conditions have been satisfied within the time provided, and whether the Administrator's determination with respect to the disposition of existing stocks is consistent with this Act. A decision after completion of such hearing shall be final. Notwithstanding any other provision of this section, a hearing shall be held and a determination made within seventy-five days after receipt of a request for such hearing.

(f) GENERAL PROVISIONS.—

(1) VOLUNTARY CANCELLATION.—

(A) A registrant may, at any time, request that a pesticide registration of the registrant be canceled or amended to terminate one or more pesticide uses.

(B) Before acting on a request under subparagraph (A), the Administrator shall publish in the Federal Register a notice of the receipt of the request and provide for a 30-day period in which the public may comment.

(C) In the case of a pesticide that is registered for a minor agricultural use, if the Administrator determines that the cancellation or termination of uses would adversely affect the availability of the pesticide for use, the Administrator—

(i) shall publish in the Federal Register a notice of the receipt of the request and make reasonable efforts to inform persons who so use the pesticide of the request; and

(ii) may not approve or reject the request until the termination of the 180-day period beginning on the date of publication of the notice in the Federal Register, except that the Administrator may waive the 180-day period upon the request of the registrant or if the Administrator determines that the continued use of the pesticide would pose an unreasonable adverse effect on the environment.

(D) Subject to paragraph (3)(B), after complying with this paragraph, the Administrator may approve or deny the request.

(2) PUBLICATION OF NOTICE.—A notice of denial of registration, intent to cancel, suspension, or intent to suspend issued under this Act or a notice issued under subsection (c)(4) or (d)(5)(A) of section 4 shall be published in the Federal Register and shall be sent by certified mail, return receipt requested, to the registrant's or applicant's address of record on file with the Administrator. If the mailed notice is returned to the Administrator as undeliverable at that address, if delivery is refused, or if the Administrator otherwise is unable to accomplish delivery of the notice to the registrant or applicant after making reasonable efforts to do so, the notice shall be deemed to have been received by the registrant or applicant on the date the notice was published in the Federal Register.

(3) TRANSFER OF REGISTRATION OF PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.—In the case of a pesticide that is registered for a minor agricultural use:

(A) During the 180-day period referred to in paragraph (1)(C)(ii), the registrant of the pesticide may notify the Administrator of an agreement between the registrant and a person or persons (including persons who so use the pesticide) to transfer the registration of the pesticide, in lieu of canceling or amending the registration to terminate the use.

(B) An application for transfer of registration, in conformance with any regulations the Administrator may adopt with respect to the transfer of the pesticide registrations, must be submitted to the Administrator within 30 days of the date of notification provided pursuant to subparagraph (A). If such an application is submitted, the Administrator shall approve the transfer and shall not approve the request for voluntary cancellation or amendment to terminate use unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

(C) If the Administrator approves the transfer and the registrant transfers the registration of the pesticide, the Administrator shall not cancel or amend the registration to delete the use or rescind the transfer of the registration, during the 180-day period beginning on the date of the approval of the transfer unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

(D) The new registrant of the pesticide shall assume the outstanding data and other requirements for the pesticide that are pending at the time of the transfer.

(4) UTILIZATION OF DATA FOR VOLUNTARILY CANCELED PESTICIDE.—When an application is filed with the Administrator for the registration of a pesticide for a minor use and another registrant subsequently voluntarily cancels its registration for an identical or substantially similar pesticide for an identical or substantially similar use, the Administrator shall process, review, and evaluate the pending application as if the voluntary cancellation had not yet taken place except that the Administrator shall not take such action if the Administrator determines that such minor use may cause an unreasonable adverse effect on the environment. In order to rely on this subsection, the applicant must certify that it agrees to satisfy any outstanding data requirements necessary to support the reregistration of the pesticide in accordance with the data submission schedule established by the Administrator.

(g) NOTICE FOR STORED PESTICIDES WITH CANCELED OR SUSPENDED REGISTRATIONS.—

(1) IN GENERAL.—Any producer or exporter of pesticides, registrant of a pesticide, applicant for registration of a pesticide, applicant for or holder of an experimental use permit, commercial applicator, or any person who distributes or sells any pesticide, who possesses any pesticide which has had its registra-

tion canceled or suspended under this section shall notify the Administrator and appropriate State and local officials of—

- (A) such possession,
- (B) the quantity of such pesticide such person possesses,
- and
- (C) the place at which such pesticide is stored.

(2) COPIES.—The Administrator shall transmit a copy of each notice submitted under this subsection to the regional office of the Environmental Protection Agency which has jurisdiction over the place of pesticide storage identified in the notice.

(h) JUDICIAL REVIEW.—Final orders of the Administrator under this section shall be subject to judicial review pursuant to section 16.

* * * * *

SEC. 12. UNLAWFUL ACTS.

(a) IN GENERAL.—

(1) Except as provided by subsection (b), it shall be unlawful for any person in any State to distribute or sell to any person—

(A) any pesticide that is not registered under section 3 or whose registration has been canceled or suspended, except to the extent that distribution or sale otherwise has been authorized by the Administrator under this Act;

(B) any registered pesticide if any claims made for it as a part of its distribution or sale substantially differ from any claims made for it as a part of the statement required in connection with its registration under section 3;

(C) any registered pesticide the composition of which differs at the time of its distribution or sale from its composition as described in the statement required in connection with its registration under section 3;

(D) any pesticide which has not been colored or discolored pursuant to the provisions of section 25(c)(5);

(E) any pesticide which is adulterated or misbranded; or

(F) any device which is misbranded.

(2) It shall be unlawful for any person—

(A) to detach, alter, deface, or destroy, in whole or in part, any labeling required under this Act;

(B) to refuse to—

(i) prepare, maintain, or submit any records required by or under section 5, 7, 8, 11, or 19;

(ii) submit any reports required by or under section 5, 6, 7, 8, 11, or 19; or

(iii) allow any entry, inspection, copying of records, or sampling authorized by this Act;

(C) to give a guaranty or undertaking provided for in subsection (b) which is false in any particular, except that a person who receives and relies upon a guaranty authorized under subsection (b) may give a guaranty to the same effect, which guaranty shall contain, in addition to the person's own name and address, the name and address of the person residing in the United States from whom the person received the guaranty or undertaking;

(D) to use for the person's own advantage or to reveal, other than to the Administrator, or officials or employees

of the Environmental Protection Agency or other Federal executive agencies, or to the courts, or to physicians, pharmacists, and other qualified persons, needing such information for the performance of their duties, in accordance with such directions as the Administrator may prescribe, any information acquired by authority of this Act which is confidential under this Act;

(E) who is a registrant, wholesaler, dealer, retailer, or other distributor to advertise a product registered under this Act for restricted use without giving the classification of the product assigned to it under section 3;

(F) to distribute or sell, or to make available for use, or to use, any registered pesticide classified for restricted use for some or all purposes other than in accordance with section 3(d) and any regulations thereunder, except that it shall not be unlawful to sell, under regulations issued by the Administrator, a restricted use pesticide to a person who is not a certified applicator for application by a certified applicator;

(G) to use any registered pesticide in a manner inconsistent with its labeling;

(H) to use any pesticide which is under an experimental use permit contrary to the provisions of such permit;

(I) to violate any order issued under section 13;

(J) to violate any suspension order issued under section 3(c)(2)(B), 4, or 6;

(K) to violate any cancellation order issued under this Act or to fail to submit a notice in accordance with section 6(g);

(L) who is a producer to violate any of the provisions of section 7;

(M) to knowingly falsify all or part of any application for registration, application for experimental use permit, any information submitted to the Administrator pursuant to section 7, any records required to be maintained pursuant to this Act, any report filed under this Act, or any information marked as confidential and submitted to the Administrator under any provision of this Act;

(N) who is a registrant, wholesaler, dealer, retailer, or other distributor to fail to file reports required by this Act;

(O) to add any substance to, or take any substance from, any pesticide in a manner that may defeat the purpose of this Act;

(P) to use any pesticide in tests on human beings unless such human beings (i) are fully informed of the nature and purposes of the test and of any physical and mental health consequences which are reasonably foreseeable therefrom, and (ii) freely volunteer to participate in the test;

(Q) to falsify all or part of any information relating to the testing of any pesticide (or any ingredient, metabolite, or degradation product thereof), including the nature of any protocol, procedure, substance, organism, or equipment used, observation made, or conclusion or opinion formed, submitted to the Administrator, or that the person knows will be furnished to the Administrator or will be

come a part of any records required to be maintained by this Act;

(R) to submit to the Administrator data known to be false in support of a registration; or

(S) to violate any regulation issued under section 3(a) or 19.

(b) EXEMPTIONS.—The penalties provided for a violation of paragraph (1) of subsection (a) shall not apply to—

(1) any person who establishes a guaranty signed by, and containing the name and address of, the registrant or person residing in the United States from whom the person purchased or received in good faith the pesticide in the same unbroken package, to the effect that the pesticide was lawfully registered at the time of sale and delivery to the person, and that it complies with the other requirements of this Act, and in such case the guarantor shall be subject to the penalties which would otherwise attach to the person holding the guaranty under the provisions of this Act;

(2) any carrier while lawfully shipping, transporting, or delivering for shipment any pesticide or device, if such carrier upon request of any officer or employee duly designated by the Administrator shall permit such officer or employee to copy all of its records concerning such pesticide or device;

(3) any public official while engaged in the performance of the official duties of the public official;

(4) any person using or possessing any pesticide as provided by an experimental use permit in effect with respect to such pesticide and such use or possession; or

(5) any person who ships a substance or mixture of substances being put through tests in which the purpose is only to determine its value for pesticide purposes or to determine its toxicity or other properties and from which the user does not expect to receive any benefit in pest control from its use.

(c) *LAWFUL USE OF PESTICIDE RESULTING IN INCIDENTAL TAKING OF CERTAIN SPECIES.*—*If the Administrator determines, with respect to a pesticide that is registered under this Act, that the pesticide meets the criteria specified in section 3(c)(5)(A)(v), any taking of a federally listed threatened or endangered species that is incidental to an otherwise lawful use of such pesticide pursuant to this Act shall not be considered unlawful under—*

(1) *section 4(d) of the Endangered Species Act of 1973 (16 U.S.C. 1533(d)); or*

(2) *section 9(a)(1)(B) of the Endangered Species Act of 1973 (16 U.S.C. 1538(a)(1)(B)).*

* * * * *

SEC. 22. DELEGATION AND COOPERATION.

(a) DELEGATION.—All authority vested in the Administrator by virtue of the provisions of this Act may with like force and effect be executed by such employees of the Environmental Protection Agency as the Administrator may designate for the purpose.

(b) COOPERATION.—The Administrator shall cooperate with the Department of Agriculture, any other Federal agency, and any appropriate agency of any State or any political subdivision thereof, in carrying out the provisions of this Act, and in securing uni-

formity of regulations *promulgated by the Administrator or, when authorized pursuant to a cooperative agreement entered into under section 23(a)(1), by a State lead agency for a State.*

SEC. 23. STATE COOPERATION, AID, AND TRAINING.

(a) COOPERATIVE AGREEMENTS.—The Administrator may enter into cooperative agreements with States and Indian tribes—

(1) to delegate to any State or Indian tribe the authority to cooperate in the enforcement of this Act through the use of its personnel or facilities, to train personnel of the State or Indian tribe to cooperate in the enforcement of this Act, *to authorize the State or Indian Tribe to establish and maintain uniform regulation of pesticides within the State or for the Indian Tribe,* and to assist States and Indian tribes in implementing cooperative enforcement programs through grants-in-aid; and

(2) to assist States in developing and administering State programs, and Indian tribes that enter into cooperative agreements, to train and certify applicators consistent with the standards the Administrator prescribes.

Effective with the fiscal year beginning October 1, 1978, there are authorized to be appropriated annually such funds as may be necessary for the Administrator to provide through cooperative agreements an amount equal to 50 percent of the anticipated cost to each State or Indian tribe, as agreed to under such cooperative agreements, of conducting training and certification programs during such fiscal year. If funds sufficient to pay 50 percent of the costs for any year are not appropriated, the share of each State and Indian tribe shall be reduced in a like proportion in allocating available funds.

(b) CONTRACTS FOR TRAINING.—In addition, the Administrator may enter into contracts with Federal, State, or Indian tribal agencies for the purpose of encouraging the training of certified applicators.

(c) INFORMATION AND EDUCATION.—The Administrator shall, in cooperation with the Secretary of Agriculture, use the services of the cooperative State extension services to inform and educate pesticide users about accepted uses and other regulations made under this Act.

SEC. 24. AUTHORITY OF STATES.

(a) IN GENERAL.—**[A State may]** *A State, but not a political subdivision of a State, may regulate the sale or use of any federally registered pesticide or device in the State, but only if and to the extent the regulation does not permit any sale or use prohibited by this Act.*

(b) UNIFORMITY.—Such State shall not impose or continue in effect any requirements for labeling or packaging in addition to or different from those required under this Act.

(c) ADDITIONAL USES.—

(1) A State may provide registration for additional uses of federally registered pesticides formulated for distribution and use within that State to meet special local needs in accord with the purposes of this Act and if registration for such use has not previously been denied, disapproved, or canceled by the Administrator. Such registration shall be deemed registration under

section 3 for all purposes of this Act, but shall authorize distribution and use only within such State.

(2) A registration issued by a State under this subsection shall not be effective for more than ninety days if disapproved by the Administrator within that period. Prior to disapproval, the Administrator shall, except as provided in paragraph (3) of this subsection, advise the State of the Administrator's intention to disapprove and the reasons therefor, and provide the State time to respond *and the State registration is not likely to jeopardize the survival of a federally listed threatened or endangered species or directly or indirectly alter in a manner that is likely to appreciably diminish the value of critical habitat for both the survival and recovery of the listed species.* The Administrator shall not prohibit or disapprove a registration issued by a State under this subsection (A) on the basis of lack of essentiality of a pesticide or (B) except as provided in paragraph (3) of this subsection, if its composition and use patterns are similar to those of a federally registered pesticide.

(3) In no instance may a State issue a registration for a food or feed use unless there exists a tolerance or exemption under the Federal Food, Drug, and Cosmetic Act that permits the residues of the pesticide on the food or feed. If the Administrator determines that a registration issued by a State is inconsistent with the Federal Food, Drug, and Cosmetic Act, or the use of a pesticide under a registration issued by a State constitutes an imminent hazard, the Administrator may immediately disapprove the registration.

[(4) If the Administrator finds, in accordance with standards set forth in regulations issued under section 25 of this Act, that a State is not capable of exercising adequate controls to assure that State registration under this section will be in accord with the purposes of this Act or has failed to exercise adequate controls, the Administrator may suspend the authority of the State to register pesticides until such time as the Administrator is satisfied that the State can and will exercise adequate controls. Prior to any such suspension, the Administrator shall advise the State of the Administrator's intention to suspend and the reasons therefor and provide the State time to respond.]

SEC. 25. AUTHORITY OF ADMINISTRATOR.

(a) IN GENERAL.—

(1) REGULATIONS.—The Administrator is authorized in accordance with the procedure described in paragraph (2), to prescribe regulations to carry out the provisions of this Act. Such regulations shall take into account the difference in concept and usage between various classes of pesticides, including public health pesticides, and differences in environmental risk and the appropriate data for evaluating such risk between agricultural, nonagricultural, and public health pesticides.

(2) PROCEDURE.—

(A) PROPOSED REGULATIONS.—At least 60 days prior to signing any proposed regulation for publication in the Federal Register, the Administrator shall provide the Secretary of Agriculture *and each State lead agency* with a copy of such regulation. [If the Secretary comments in

writing to the Administrator regarding any such regulation within 30 days after receiving it, the Administrator shall publish in the Federal Register (with the proposed regulation) the comments of the Secretary and the response of the Administrator with regard to the Secretary's comments.】 *If the Secretary or any State lead agency or any State lead agency comments in writing to the Administrator regarding any such regulation within 30 days after receiving the copy of the regulation, the Administrator shall publish in the Federal Register (with the proposed regulation) all such comments and the response of the Administrator to the comments.* If the Secretary or any State lead agency does not comment in writing to the Administrator regarding the regulation within 30 days after receiving it, the Administrator may sign such regulation for publication in the Federal Register any time after such 30-day period notwithstanding the foregoing 60-day time requirement.

(B) FINAL REGULATIONS.—At least 30 days prior to signing any regulation in final form for publication in the Federal Register, the Administrator shall provide the Secretary of Agriculture and each State lead agency with a copy of such regulation. 【If the Secretary comments in writing to the Administrator regarding any such final regulation within 15 days after receiving it, the Administrator shall publish in the Federal Register (with the final regulation) the comments of the Secretary, if requested by the Secretary, and the response of the Administrator concerning the Secretary's comments.】 *If the Secretary or any State lead agency or any State lead agency comments in writing to the Administrator regarding any such regulation within 15 days after receiving the copy of the regulation, the Administrator shall publish in the Federal Register (with the final regulation) the comments of the Secretary or State lead agency, if requested by the Secretary or State lead agency, and the response of the Administrator to the comments.* If the Secretary or any State lead agency does not comment in writing to the Administrator regarding the regulation within 15 days after receiving it, the Administrator may sign such regulation for publication in the Federal Register at any time after such 15-day period notwithstanding the foregoing 30-day time requirement. In taking any final action under this subsection, the Administrator shall include among those factors to be taken into account the effect of the regulation on production and prices of agricultural commodities, retail food prices, and otherwise on the agricultural economy, and the Administrator shall publish in the Federal Register an analysis of such effect.

(C) TIME REQUIREMENTS.—The time requirements imposed by subparagraphs (A) and (B) may be waived or modified to the extent agreed upon by the Administrator and the Secretary, *in consultation with the State lead agencies.*

(D) PUBLICATION IN THE FEDERAL REGISTER.—The Administrator shall, simultaneously with any notification to the Secretary of Agriculture under this paragraph prior to

the issuance of any proposed or final regulation, publish such notification in the Federal Register.

(3) CONGRESSIONAL COMMITTEES.—At such time as the Administrator is required under paragraph (2) of this subsection to provide the Secretary of Agriculture with a copy of proposed regulations and a copy of the final form of regulations, the Administrator shall also furnish a copy of such regulations to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(4) CONGRESSIONAL REVIEW OF REGULATIONS.—Simultaneously with the promulgation of any rule or regulation under this Act, the Administrator shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. The rule or regulation shall not become effective until the passage of 60 calendar days after the rule or regulation is so transmitted.

(b) EXEMPTION OF PESTICIDES.—The Administrator may exempt from the requirements of this Act by regulation any pesticide which the Administrator determines either (1) to be adequately regulated by another Federal agency, or (2) to be of a character which is unnecessary to be subject to this Act in order to carry out the purposes of this Act.

(c) OTHER AUTHORITY.—The Administrator, after notice and opportunity for hearing, is authorized—

(1) to declare a pest any form of plant or animal life (other than man and other than bacteria, virus, and other micro-organisms on or in living man or other living animals) which is injurious to health or the environment;

(2) to determine any pesticide which contains any substance or substances in quantities highly toxic to man;

(3) to establish standards (which shall be consistent with those established under the authority of the Poison Prevention Packaging Act (Public Law 91-601)) with respect to the package, container, or wrapping in which a pesticide or device is enclosed for use or consumption, in order to protect children and adults from serious injury or illness resulting from accidental ingestion or contact with pesticides or devices regulated by this Act as well as to accomplish the other purposes of this Act;

(4) to specify those classes of devices which shall be subject to any provision of paragraph 2(q)(1) or section 7 of this Act upon the Administrator's determination that application of such provision is necessary to effectuate the purposes of this Act;

(5) to prescribe regulations requiring any pesticide to be colored or discolored if the Administrator determines that such requirement is feasible and is necessary for the protection of health and the environment; and

(6) to determine and establish suitable names to be used in the ingredient statement.

(d) SCIENTIFIC ADVISORY PANEL.—

(1) IN GENERAL.—The Administrator shall submit to an advisory panel for comment as to the impact on health and the environment of the action proposed in notices of intent issued

under section 6(b) and of the proposed and final form of regulations issued under section 25(a) within the same time periods as provided for the comments of the Secretary of Agriculture under such sections. The time requirements for notices of intent and proposed and final forms of regulation may not be modified or waived unless in addition to meeting the requirements of section 6(b) or 25(a), as applicable, the advisory panel has failed to comment on the proposed action within the prescribed time period or has agreed to the modification or waiver. The Administrator shall also solicit from the advisory panel comments, evaluations, and recommendations for operating guidelines to improve the effectiveness and quality of scientific analyses made by personnel of the Environmental Protection Agency that lead to decisions by the Administrator in carrying out the provisions of this Act. The comments, evaluations, and recommendations of the advisory panel submitted under this subsection and the response of the Administrator shall be published in the Federal Register in the same manner as provided for publication of the comments of the Secretary of Agriculture under such sections. The chairman of the advisory panel, after consultation with the Administrator, may create temporary subpanels on specific projects to assist the full advisory panel in expediting and preparing its evaluations, comments, and recommendations. The subpanels may be composed of scientists other than members of the advisory panel, as deemed necessary for the purpose of evaluating scientific studies relied upon by the Administrator with respect to proposed action. Such additional scientists shall be selected by the advisory panel. The panel referred to in this subsection shall consist of 7 members appointed by the Administrator from a list of 12 nominees, 6 nominated by the National Institutes of Health and 6 by the National Science Foundation, utilizing a system of staggered terms of appointment. Members of the panel shall be selected on the basis of their professional qualifications to assess the effects of the impact of pesticides on health and the environment. To the extent feasible to insure multidisciplinary representation, the panel membership shall include representation from the disciplines of toxicology, pathology, environmental biology, and related sciences. If a vacancy occurs on the panel due to expiration of a term, resignation, or any other reason, each replacement shall be selected by the Administrator from a group of 4 nominees, 2 submitted by each of the nominating entities named in this subsection. The Administrator may extend the term of a panel member until the new member is appointed to fill the vacancy. If a vacancy occurs due to resignation, or reason other than expiration of a term, the Administrator shall appoint a member to serve during the unexpired term utilizing the nomination process set forth in this subsection. Should the list of nominees provided under this subsection be unsatisfactory, the Administrator may request an additional set of nominees from the nominating entities. The Administrator may require such information from the nominees to the advisory panel as the Administrator deems necessary, and the Administrator shall publish in the Federal Register the name, address, and professional affiliations of

each nominee. Each member of the panel shall receive per diem compensation at a rate not in excess of that fixed for GS-18 of the General Schedule as may be determined by the Administrator, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this subsection. In order to assure the objectivity of the advisory panel, the Administrator shall promulgate regulations regarding conflicts of interest with respect to the members of the panel. The advisory panel established under this section shall be permanent. In performing the functions assigned by this Act, the panel shall consult and coordinate its activities with the Science Advisory Board established under the Environmental Research, Development, and Demonstration Authorization Act of 1978. Whenever the Administrator exercises authority under section 6(c) of this Act to immediately suspend the registration of any pesticide to prevent an imminent hazard, the Administrator shall promptly submit to the advisory panel for comment, as to the impact on health and the environment, the action taken to suspend the registration of such pesticide.

(2) SCIENCE REVIEW BOARD.—There is established a Science Review Board to consist of 60 scientists who shall be available to the Scientific Advisory Panel to assist in reviews conducted by the Panel. Members of the Board shall be selected in the same manner as members of temporary subpanels created under paragraph (1). Members of the Board shall be compensated in the same manner as members of the Panel.

(e) PEER REVIEW.—The Administrator shall, by written procedures, provide for peer review with respect to the design, protocols, and conduct of major scientific studies conducted under this Act by the Environmental Protection Agency or by any other Federal agency, any State or political subdivision thereof, or any institution or individual under grant, contract, or cooperative agreement from or with the Environmental Protection Agency. In such procedures, the Administrator shall also provide for peer review, using the advisory panel established under subsection (d) of this section or appropriate experts appointed by the Administrator from a current list of nominees maintained by such panel, with respect to the results of any such scientific studies relied upon by the Administrator with respect to actions the Administrator may take relating to the change in classification, suspension, or cancellation of a pesticide. Whenever the Administrator determines that circumstances do not permit the peer review of the results of any such scientific study prior to the Administrator's exercising authority under section 6(c) of this Act to immediately suspend the registration of any pesticide to prevent an imminent hazard, the Administrator shall promptly thereafter provide for the conduct of peer review as provided in this sentence. The evaluations and relevant documentation constituting the peer review that relate to the proposed scientific studies and the results of the completed scientific studies shall be included in the submission for comment forwarded by the Administrator to the advisory panel as provided in subsection (d). As used in this subsection, the term "peer review" shall mean an independent evalua-

tion by scientific experts, either within or outside the Environmental Protection Agency, in the appropriate disciplines.

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FEDERAL WATER POLLUTION CONTROL ACT

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TITLE IV—PERMITS AND LICENSES

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NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

SEC. 402. (a)(1) Except as provided in sections 318 and 404 of this Act, the Administrator may, after opportunity for public hearing, issue a permit for the discharge of any pollutant, or combination of pollutants, notwithstanding section 301(a), upon condition that such discharge will meet either (A) all applicable requirements under sections 301, 302, 306, 307, 308, and 403 of this Act, or (B) prior to the taking of necessary implementing actions relating to all such requirements, such conditions as the Administrator determines are necessary to carry out the provisions of this Act.

(2) The Administrator shall prescribe conditions for such permits to assure compliance with the requirements of paragraph (1) of this subsection, including conditions on data and information collection, reporting, and such other requirements as he deems appropriate.

(3) The permit program of the Administrator under paragraph (1) of this subsection, and permits issued thereunder, shall be subject to the same terms, conditions, and requirements as apply to a State permit program and permits issued thereunder under subsection (b) of this section.

(4) All permits for discharges into the navigable waters issued pursuant to section 13 of the Act of March 3, 1899, shall be deemed to be permits issued under this title, and permits issued under this title shall be deemed to be permits issued under section 13 of the Act of March 3, 1899, and shall continue in force and effect for their term unless revoked, modified, or suspended in accordance with the provisions of this Act.

(5) No permit for a discharge into the navigable waters shall be issued under section 13 of the Act of March 3, 1899, after the date of enactment of this title. Each application for a permit under section 13 of the Act of March 3, 1899, pending on the date of enactment of this Act shall be deemed to be an application for a permit under this section. The Administrator shall authorize a State, which he determines has the capability of administering a permit program which will carry out the objective of this Act, to issue permits for discharges into the navigable waters within the jurisdiction of such State. The Administrator may exercise the authority granted him by the preceding sentence only during the period which begins on the date of enactment of this Act and ends either on the ninetieth day after the date of the first promulgation of guidelines required by section 304(i)(2) of this Act, or the date of approval by the Administrator of a permit program for such State under subsection (b) of this section, whichever date first occurs,

and no such authorization to a State shall extend beyond the last day of such period. Each such permit shall be subject to such conditions as the Administrator determines are necessary to carry out the provisions of this Act. No such permit shall issue if the Administrator objects to such issuance.

(b) At any time after the promulgation of the guidelines required by subsection (i)(2) of section 304 of this Act, the Governor of each State desiring to administer its own permit program for discharges into navigable waters within its jurisdiction may submit to the Administrator a full and complete description of the program it proposes to establish and administer under State law or under an interstate compact. In addition, such State shall submit a statement from the attorney general (or the attorney for those State water pollution control agencies which have independent legal counsel), or from the chief legal officer in the case of an interstate agency, that the laws of such State, or the interstate compact, as the case may be, provide adequate authority to carry out the described program. The Administrator shall approve each such submitted program unless he determines that adequate authority does not exist:

(1) To issue permits which—

(A) apply, and insure compliance with, any applicable requirements of sections 301, 302, 306, 307, and 403;

(B) are for fixed terms not exceeding five years; and

(C) can be terminated or modified for cause including, but not limited to, the following:

(i) violation of any condition of the permit;

(ii) obtaining a permit by misrepresentation, or failure to disclose fully all relevant facts;

(iii) change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge;

(D) control the disposal of pollutants into wells;

(2)(A) To issue permits which apply, and insure compliance with, all applicable requirements of section 308 of this Act, or

(B) To inspect, monitor, enter, and require reports to at least the same extent as required in section 308 of this Act;

(3) To insure that the public, and any other State the waters of which may be affected, receive notice of each application for a permit and to provide an opportunity for public hearing before a ruling on each such application;

(4) To insure that the Administrator receives notice of each application (including a copy thereof) for a permit;

(5) To insure that any State (other than the permitting State), whose waters may be affected by the issuance of a permit may submit written recommendations to the permitting State (and the Administrator) with respect to any permit application and, if any part of such written recommendations are not accepted by the permitting State, that the permitting State will notify such affected State (and the Administrator) in writing of its failure to so accept such recommendations together with its reasons for so doing;

(6) To insure that no permit will be issued if, in the judgment of the Secretary of the Army acting through the Chief of Engineers, after consultation with the Secretary of the department in which

the Coast Guard is operating, anchorage and navigation of any of the navigable waters would be substantially impaired thereby;

(7) To abate violations of the permit or the permit program, including civil and criminal penalties and other ways and means of enforcement;

(8) To insure that any permit for a discharge from a publicly owned treatment works includes conditions to require the identification in terms of character and volume of pollutants of any significant source introducing pollutants subject to pretreatment standards under section 307(b) of this Act into such works and a program to assure compliance with such pretreatment standards by each such source, in addition to adequate notice to the permitting agency of (A) new introductions into such works of pollutants from any source which would be a new source as defined in section 306 if such source were discharging pollutants, (B) new introductions of pollutants into such works from a source which would be subject to section 301 if it were discharging such pollutants, or (C) a substantial change in volume or character of pollutants being introduced into such works by a source introducing pollutants into such works at the time of issuance of the permit. Such notice shall include information on the quality and quantity of effluent to be introduced into such treatment works and any anticipated impact of such change in the quantity or quality of effluent to be discharged from such publicly owned treatment works; and

(9) To insure that any industrial user of any publicly owned treatment works will comply with sections 204(b), 307, and 308.

(c)(1) Not later than ninety days after the date on which a State has submitted a program (or revision thereof) pursuant to subsection (b) of this section, the Administrator shall suspend the issuance of permits under subsection (a) of this section as to those discharges subject to such program unless he determines that the State permit program does not meet the requirements of subsection (b) of this section or does not conform to the guidelines issued under section 304(i)(2) of this Act. If the Administrator so determines, he shall notify the State of any revisions or modifications necessary to conform to such requirements or guidelines.

(2) Any State permit program under this section shall at all times be in accordance with this section and guidelines promulgated pursuant to section 304(i)(2) of this Act.

(3) Whenever the Administrator determines after public hearing that a State is not administering a program approved under this section in accordance with requirements of this section, he shall so notify the State and, if appropriate corrective action is not taken within a reasonable time, not to exceed ninety days, the Administrator shall withdraw approval of such program. The Administrator shall not withdraw approval of any such program unless he shall first have notified the State, and made public, in writing, the reasons for such withdrawal.

(4) LIMITATIONS ON PARTIAL PERMIT PROGRAM RETURNS AND WITHDRAWALS.—A State may return to the Administrator administration, and the Administrator may withdraw under paragraph (3) of this subsection approval, of—

(A) a State partial permit program approved under subsection (n)(3) only if the entire permit program being ad-

ministered by the State department or agency at the time is returned or withdrawn; and

(B) a State partial permit program approved under subsection (n)(4) only if an entire phased component of the permit program being administered by the State at the time is returned or withdrawn.

(d)(1) Each State shall transmit to the Administrator a copy of each permit application received by such State and provide notice to the Administrator of every action related to the consideration of such permit application, including each permit proposed to be issued by such State.

(2) No permit shall issue (A) if the Administrator within ninety days of the date of his notification under subsection (b)(5) of this section objects in writing to the issuance of such permit, or (B) if the Administrator within ninety days of the date of transmittal of the proposed permit by the State objects in writing to the issuance of such permit as being outside the guidelines and requirements of this Act. Whenever the Administrator objects to the issuance of a permit under this paragraph such written objection shall contain a statement of the reasons for such objection and the effluent limitations and conditions which such permit would include if it were issued by the Administrator.

(3) The Administrator may, as to any permit application, waive paragraph (2) of this subsection.

(4) In any case where, after the date of enactment of this paragraph, the Administrator, pursuant to paragraph (2) of this subsection, objects to the issuance of a permit, on request of the State, a public hearing shall be held by the Administrator on such objection. If the State does not resubmit such permit revised to meet such objection within 30 days after completion of the hearing, or, if no hearing is requested within 90 days after the date of such objection, the Administrator may issue the permit pursuant to subsection (a) of this section for such source in accordance with the guidelines and requirements of this Act.

(e) In accordance with guidelines promulgated pursuant to subsection (i)(2) of section 304 of this Act, the Administrator is authorized to waive the requirements of subsection (d) of this section at the time he approves a program pursuant to subsection (b) of this section for any category (including any class, type, or size within such category) of point sources within the State submitting such program.

(f) The Administrator shall promulgate regulations establishing categories of point sources which he determines shall not be subject to the requirements of subsection (d) of this section in any State with a program approved pursuant to subsection (b) of this section. The Administrator may distinguish among classes, types, and sizes within any category of point sources.

(g) Any permit issued under this section for the discharge of pollutants into the navigable waters from a vessel or other floating craft shall be subject to any applicable regulations promulgated by the Secretary of the Department in which the Coast Guard is operating, establishing specifications for safe transportation, handling, carriage, storage, and stowage of pollutants.

(h) In the event any condition of a permit for discharges from a treatment works (as defined in section 212 of this Act) which is

publicly owned is violated, a State with a program approved under subsection (b) of this section or the Administrator, where no State program is approved or where the Administrator determines pursuant to section 309(a) of this Act that a State with an approved program has not commenced appropriate enforcement action with respect to such permit, may proceed in a court of competent jurisdiction to restrict or prohibit the introduction of any pollutant into such treatment works by a source not utilizing such treatment works prior to the finding that such condition was violated.

(i) Nothing in this section shall be construed to limit the authority of the Administrator to take action pursuant to section 309 of this Act.

(j) A copy of each permit application and each permit issued under this section shall be available to the public. Such permit application or permit, or portion thereof, shall further be available on request for the purpose of reproduction.

(k) Compliance with a permit issued pursuant to this section shall be deemed compliance, for purposes of sections 309 and 505, with sections 301, 302, 306, 307, and 403, except any standard imposed under section 307 for a toxic pollutant injurious to human health. Until December 31, 1974, in any case where a permit for discharge has been applied for pursuant to this section, but final administrative disposition of such application has not been made, such discharge shall not be a violation of (1) section 301, 306, or 402 of this Act, or (2) section 13 of the Act of March 3, 1899, unless the Administrator or other plaintiff proves that final administrative disposition of such application has not been made because of the failure of the applicant to furnish information reasonably required or requested in order to process the application. For the 180-day period beginning on the date of enactment of the Federal Water Pollution Control Act Amendments of 1972, in the case of any point source discharging any pollutant or combination of pollutants immediately prior to such date of enactment which source is not subject to section 13 of the Act of March 3, 1899, the discharge by such source shall not be a violation of this Act if such a source applies for a permit for discharge pursuant to this section within such 180-day period.

(l) LIMITATION ON PERMIT REQUIREMENT.—

(1) AGRICULTURAL RETURN FLOWS.—The Administrator shall not require a permit under this section for discharges composed entirely of return flows from irrigated agriculture, nor shall the Administrator directly or indirectly, require any State to require such a permit.

(2) STORMWATER RUNOFF FROM OIL, GAS, AND MINING OPERATIONS.—The Administrator shall not require a permit under this section, nor shall the Administrator directly or indirectly require any State to require a permit, for discharges of stormwater runoff from mining operations or oil and gas exploration, production, processing, or treatment operations or transmission facilities, composed entirely of flows which are from conveyances or systems of conveyances (including but not limited to pipes, conduits, ditches, and channels) used for collecting and conveying precipitation runoff and which are not contaminated by contact with, or do not come into contact with, any overburden, raw material, intermediate products, finished

product, byproduct, or waste products located on the site of such operations.

(3) SILVICULTURAL ACTIVITIES.—

(A) NPDES PERMIT REQUIREMENTS FOR SILVICULTURAL ACTIVITIES.—The Administrator shall not require a permit under this section nor directly or indirectly require any State to require a permit under this section for a discharge from runoff resulting from the conduct of the following silviculture activities conducted in accordance with standard industry practice: nursery operations, site preparation, reforestation and subsequent cultural treatment, thinning, prescribed burning, pest and fire control, harvesting operations, surface drainage, or road construction and maintenance.

(B) OTHER REQUIREMENTS.—Nothing in this paragraph exempts a discharge from silvicultural activity from any permitting requirement under section 404, existing permitting requirements under section 402, or from any other federal law.

(C) The authorization provided in Section 505(a) does not apply to any non-permitting program established under 402(p)(6) for the silviculture activities listed in 402(l)(3)(A), or to any other limitations that might be deemed to apply to the silviculture activities listed in 402(l)(3)(A).

(m) ADDITIONAL PRETREATMENT OF CONVENTIONAL POLLUTANTS NOT REQUIRED.—To the extent a treatment works (as defined in section 212 of this Act) which is publicly owned is not meeting the requirements of a permit issued under this section for such treatment works as a result of inadequate design or operation of such treatment works, the Administrator, in issuing a permit under this section, shall not require pretreatment by a person introducing conventional pollutants identified pursuant to a section 304(a)(4) of this Act into such treatment works other than pretreatment required to assure compliance with pretreatment standards under subsection (b)(8) of this section and section 307(b)(1) of this Act. Nothing in this subsection shall affect the Administrator's authority under sections 307 and 309 of this Act, affect State and local authority under sections 307(b)(4) and 510 of this Act, relieve such treatment works of its obligations to meet requirements established under this Act, or otherwise preclude such works from pursuing whatever feasible options are available to meet its responsibility to comply with its permit under this section.

(n) PARTIAL PERMIT PROGRAM.—

(1) STATE SUBMISSION.—The Governor of a State may submit under subsection (b) of this section a permit program for a portion of the discharges into the navigable waters in such State.

(2) MINIMUM COVERAGE.—A partial permit program under this subsection shall cover, at a minimum, administration of a major category of the discharges into the navigable waters of the State or a major component of the permit program required by subsection (b).

(3) APPROVAL OF MAJOR CATEGORY PARTIAL PERMIT PROGRAMS.—The Administrator may approve a partial permit pro-

gram covering administration of a major category of discharges under this subsection if—

(A) such program represents a complete permit program and covers all of the discharges under the jurisdiction of a department or agency of the State; and

(B) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b).

(4) APPROVAL OF MAJOR COMPONENT PARTIAL PERMIT PROGRAMS.—The Administrator may approve under this subsection a partial and phased permit program covering administration of a major component (including discharge categories) of a State permit program required by subsection (b) if—

(A) the Administrator determines that the partial program represents a significant and identifiable part of the State program required by subsection (b); and

(B) the State submits, and the Administrator approves, a plan for the State to assume administration by phases of the remainder of the State program required by subsection (b) by a specified date not more than 5 years after submission of the partial program under this subsection and agrees to make all reasonable efforts to assume such administration by such date.

(o) ANTI-BACKSLIDING.—

(1) GENERAL PROHIBITION.—In the case of effluent limitations established on the basis of subsection (a)(1)(B) of this section, a permit may not be renewed, reissued, or modified on the basis of effluent guidelines promulgated under section 304(b) subsequent to the original issuance of such permit, to contain effluent limitations which are less stringent than the comparable effluent limitations in the previous permit. In the case of effluent limitations established on the basis of section 301(b)(1)(C) or section 303(d) or (e), a permit may not be renewed, reissued, or modified to contain effluent limitations which are less stringent than the comparable effluent limitations in the previous permit except in compliance with section 303(d)(4).

(2) EXCEPTIONS.—A permit with respect to which paragraph (1) applies may be renewed, reissued, or modified to contain a less stringent effluent limitation applicable to a pollutant if—

(A) material and substantial alterations or additions to the permitted facility occurred after permit issuance which justify the application of a less stringent effluent limitation;

(B)(i) information is available which was not available at the time of permit issuance (other than revised regulations, guidance, or test methods) and which would have justified the application of a less stringent effluent limitation at the time of permit issuance; or

(ii) the Administrator determines that technical mistakes or mistaken interpretations of law were made in issuing the permit under subsection (a)(1)(B);

(C) a less stringent effluent limitation is necessary because of events over which the permittee has no control and for which there is no reasonably available remedy;

(D) the permittee has received a permit modification under section 301(c), 301(g), 301(h), 301(i), 301(k), 301(n), or 316(a); or

(E) the permittee has installed the treatment facilities required to meet the effluent limitations in the previous permit and has properly operated and maintained the facilities but has nevertheless been unable to achieve the previous effluent limitations, in which case the limitations in the reviewed, reissued, or modified permit may reflect the level of pollutant control actually achieved (but shall not be less stringent than required by effluent guidelines in effect at the time of permit renewal, reissuance, or modification).

Subparagraph (B) shall not apply to any revised waste load allocations or any alternative grounds for translating water quality standards into effluent limitations, except where the cumulative effect of such revised allocations results in a decrease in the amount of pollutants discharged into the concerned waters, and such revised allocations are not the result of a discharger eliminating or substantially reducing its discharge of pollutants due to complying with the requirements of this Act or for reasons otherwise unrelated to water quality.

(3) LIMITATIONS.—In no event may a permit with respect to which paragraph (1) applies be renewed, reissued, or modified to contain an effluent limitation which is less stringent than required by effluent guidelines in effect at the time the permit is renewed, reissued, or modified. In no event may such a permit to discharge into waters be renewed, reissued, or modified to contain a less stringent effluent limitation if the implementation of such limitation would result in a violation of a water quality standard under section 303 applicable to such waters.

(p) MUNICIPAL AND INDUSTRIAL STORMWATER DISCHARGES.—

(1) GENERAL RULE.—Prior to October 1, 1994, the Administrator or the State (in the case of a permit program approved under section 402 of this Act) shall not require a permit under this section for discharges composed entirely of stormwater.

(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to the following stormwater discharges:

(A) A discharge with respect to which a permit has been issued under this section before the date of the enactment of this subsection.

(B) A discharge associated with industrial activity.

(C) A discharge from a municipal separate storm sewer system serving a population of 250,000 or more.

(D) A discharge from a municipal separate storm sewer system serving a population of 100,000 or more but less than 250,000.

(E) A discharge for which the Administrator or the State, as the case may be, determines that the stormwater discharge contributes to a violation of a water quality standard or is a significant contributor of pollutants to waters of the United States.

(3) PERMIT REQUIREMENTS.—

(A) INDUSTRIAL DISCHARGES.—Permits for discharges associated with industrial activity shall meet all applicable provisions of this section and section 301.

(B) MUNICIPAL DISCHARGE.—Permits for discharges from municipal storm sewers—

(i) may be issued on a system- or jurisdiction-wide basis;

(ii) shall include a requirement to effectively prohibit non-stormwater discharges into the storm sewers; and

(iii) shall require controls to reduce the discharge of pollutants to the maximum extent practicable, including management practices, control techniques and system, design and engineering methods, and such other provisions as the Administrator or the State determines appropriate for the control of such pollutants.

(4) PERMIT APPLICATION REQUIREMENTS.—

(A) INDUSTRIAL AND LARGE MUNICIPAL DISCHARGES.—Not later than 2 years after the date of the enactment of this subsection, the Administrator shall establish regulations setting forth the permit application requirements for stormwater discharges described in paragraphs (2)(B) and (2)(C). Applications for permits for such discharges shall be filed no later than 3 years after such date of enactment. Not later than 4 years after such date of enactment the Administrator or the State, as the case may be, shall issue or deny each such permit. Any such permit shall provide for compliance as expeditiously as practicable, but in no event later than 3 years after the date of issuance of such permit.

(B) OTHER MUNICIPAL DISCHARGES.—Not later than 4 years after the date of the enactment of this subsection, the Administrator shall establish regulations setting forth the permit application requirements for stormwater discharges described in paragraph (2)(D). Applications for permits for such discharges shall be filed no later than 5 years after such date of enactment. Not later than 6 years after such date of enactment, the Administrator or the State, as the case may be, shall issue or deny each such permit. Any such permit shall provide for compliance as expeditiously as practicable, but in no event later than 3 years after the date of issuance of such permit.

(5) STUDIES.—The Administrator, in consultation with the States, shall conduct a study for the purposes of—

(A) identifying those stormwater discharges or classes of stormwater discharges for which permits are not required pursuant to paragraphs (1) and (2) of this subsection;

(B) determining, to the maximum extent practicable, the nature and extent of pollutants in such discharges; and

(C) establishing procedures and methods to control stormwater discharges to the extent necessary to mitigate impacts on water quality.

Not later than October 1, 1988, the Administrator shall submit to Congress a report on the results of the study described in subparagraphs (A) and (B). Not later than October 1, 1989, the

Administrator shall submit to Congress a report on the results of the study described in subparagraph (C).

(6) REGULATIONS.—Not later than October 1, 1993, the Administrator, in consultation with State and local officials, shall issue regulations (based on the results of the studies conducted under paragraph (5)) which designate stormwater discharges, other than those discharges described in paragraph (2), to be regulated to protect water quality and shall establish a comprehensive program to regulate such designated sources. The program shall, at a minimum, (A) establish priorities, (B) establish requirements for State stormwater management programs, and (C) establish expeditious deadlines. The program may include performance standards, guidelines, guidance, and management practices and treatment requirements, as appropriate.

(q) COMBINED SEWER OVERFLOWS.—

(1) REQUIREMENT FOR PERMITS, ORDERS, AND DECREES.—Each permit, order, or decree issued pursuant to this Act after the date of enactment of this subsection for a discharge from a municipal combined storm and sanitary sewer shall conform to the Combined Sewer Overflow Control Policy signed by the Administrator on April 11, 1994 (in this subsection referred to as the “CSO control policy”).

(2) WATER QUALITY AND DESIGNATED USE REVIEW GUIDANCE.—Not later than July 31, 2001, and after providing notice and opportunity for public comment, the Administrator shall issue guidance to facilitate the conduct of water quality and designated use reviews for municipal combined sewer overflow receiving waters.

(3) REPORT.—Not later than September 1, 2001, the Administrator shall transmit to Congress a report on the progress made by the Environmental Protection Agency, States, and municipalities in implementing and enforcing the CSO control policy.

(r) DISCHARGES INCIDENTAL TO THE NORMAL OPERATION OF RECREATIONAL VESSELS.—No permit shall be required under this Act by the Administrator (or a State, in the case of a permit program approved under subsection (b)) for the discharge of any graywater, bilge water, cooling water, weather deck runoff, oil water separator effluent, or effluent from properly functioning marine engines, or any other discharge that is incidental to the normal operation of a vessel, if the discharge is from a recreational vessel.

(s) DISCHARGES OF PESTICIDES.—

(1) NO PERMIT REQUIREMENT.—*Except as provided in paragraph (2), a permit shall not be required by the Administrator or a State under this Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act, or the residue of such a pesticide, resulting from the application of such pesticide.*

(2) EXCEPTIONS.—*Paragraph (1) shall not apply to the following discharges of a pesticide or pesticide residue:*

(A) *A discharge resulting from the application of a pesticide in violation of a provision of the Federal Insecticide,*

Fungicide, and Rodenticide Act that is relevant to protecting water quality, if—

- (i) the discharge would not have occurred but for the violation; or*
- (ii) the amount of pesticide or pesticide residue in the discharge is greater than would have occurred without the violation.*

(B) Stormwater discharges subject to regulation under subsection (p).

(C) The following discharges subject to regulation under this section:

- (i) Manufacturing or industrial effluent.*
- (ii) Treatment works effluent.*
- (iii) Discharges incidental to the normal operation of a vessel, including a discharge resulting from ballasting operations or vessel biofouling prevention.*

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PLANT PROTECTION ACT

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TITLE IV—PLANT PROTECTION ACT

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Subtitle A—Plant Protection

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[SEC. 419. METHYL BROMIDE.

[(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement. The Secretary shall not authorize such treatments or applications unless the Secretary finds there is no other registered, effective, and economically feasible alternative available.

[(b) METHYL BROMIDE ALTERNATIVE.—The Secretary, in consultation with State, local and tribal authorities, shall establish a program to identify alternatives to methyl bromide for treatment and control of plant pests and weeds. For uses where no registered, effective, economically feasible alternatives available can currently be identified, the Secretary shall initiate research programs to develop alternative methods of control and treatment.

[(c) REGISTRY.—Not later than 180 days after the date of enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.

[(d) ADMINISTRATION.—

【(1) **TIMELINE FOR DETERMINATION.**—Upon the promulgation of regulations to carry out this section, the Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

【(2) **CONSTRUCTION.**—Nothing in this section shall be construed to alter or modify the authority of the Administrator of the Environmental Protection Agency or to provide any authority to the Secretary of Agriculture under the Clean Air Act or regulations promulgated under the Clean Air Act.】

SEC. 419. METHYL BROMIDE.

(a) **AUTHORIZATION.**—

(1) *IN GENERAL.*—Subject to paragraphs (2) and (3), a State, local, or Tribal authority may authorize the use of methyl bromide for a qualified use if the authority determines the use is required to respond to an emergency event. The Secretary may authorize such a use if the Secretary determines such a use is required to respond to an emergency event.

(2) *NOTIFICATION.*—Not later than 5 days after the date on which a State, local, or Tribal authority makes the determination described in paragraph (1), the State, local, or Tribal authority intending to authorize the use of methyl bromide for a qualified use shall submit to the Secretary a notification that contains the information described in subsection (b).

(3) *OBJECTION.*—A State, local, or Tribal authority may not authorize the use of methyl bromide under paragraph (1) if the Secretary objects to such use under subsection (c) within the 5-day period specified in such subsection.

(b) *NOTIFICATION CONTENTS.*—A notification submitted under subsection (a)(2) by a State, local, or Tribal authority shall contain—

(1) a certification that the State, local, or Tribal authority requires the use of methyl bromide to respond to an emergency event;

(2) a description of the emergency event and the economic loss that would result from such emergency event;

(3) the identity and contact information for the responsible individual of the authority; and

(4) with respect to the qualified use of methyl bromide that is the subject of the notification—

(A) the specific location in which the methyl bromide is to be used and the total acreage of such location;

(B) the identity of the pest or pests to be controlled by such use;

(C) the total volume of methyl bromide to be used; and

(D) the anticipated date of such use.

(c) *OBJECTION.*—

(1) *IN GENERAL.*—The Secretary, not later than 5 days after the receipt of a notification submitted under subsection (a)(2), may object to the authorization of the use of methyl bromide under such subsection by a State, local, or Tribal authority by sending the State, local, or Tribal authority a notification in writing of such objection that—

(A) states the reasons for such objection; and

(B) specifies any additional information that the Secretary would require to withdraw the objection.

(2) REASONS FOR OBJECTION.—The Secretary may object to an authorization described in paragraph (1) if the Secretary determines that—

(A) the notification submitted under subsection (a)(2) does not—

(i) contain all of the information specified in paragraphs (1) through (4) of subsection (b); or

(ii) demonstrate the existence of an emergency event;

or

(B) the qualified use specified in the notification does not comply with the limitations specified in subsection (e).

(3) WITHDRAWAL OF OBJECTION.—The Secretary shall withdraw an objection under this subsection if—

(A) not later than 14 days after the date on which the Secretary sends the notification under paragraph (1) to the State, local, or Tribal authority involved, the State, local, or Tribal authority submits to the Secretary the additional information specified in such notification; and

(B) such additional information is submitted to the satisfaction of the Secretary.

(4) EFFECT OF WITHDRAWAL.—Upon the issuance of a withdrawal under paragraph (3), the State, local, or Tribal authority involved may authorize the use of methyl bromide for the qualified use specified in the notification submitted under subsection (a)(2).

(d) USE FOR EMERGENCY EVENTS CONSISTENT WITH FIFRA.—The production, distribution, sale, shipment, application, or use of a pesticide product containing methyl bromide in accordance with an authorization for a use under subsection (a) shall be deemed an authorized production, distribution, sale, shipment, application, or use of such product under the Federal Insecticide, Fungicide, and Rodenticide Act, regardless of whether the intended use is registered and included in the label approved for the product by the Administrator of the Environmental Protection Agency under such Act.

(e) LIMITATIONS ON USE.—

(1) LIMITATIONS ON USE PER EMERGENCY EVENT.—The amount of methyl bromide that may be used per emergency event at a specific location shall not exceed 20 metric tons.

(2) LIMITS ON AGGREGATE AMOUNT.—The aggregate amount of methyl bromide allowed pursuant to this section for use in the United States in a calendar year shall not exceed the total amount authorized by the Parties to the Montreal Protocol pursuant to the Montreal Protocol process for critical uses in the United States in calendar year 2011.

(f) ENSURING ADEQUATE SUPPLY OF METHYL BROMIDE.—Notwithstanding any other provision of law, it shall not be unlawful for any person or entity to produce or import methyl bromide, or otherwise supply methyl bromide from inventories (produced or imported pursuant to the Clean Air Act for other purposes) in response to an emergency event in accordance with subsection (a).

(g) EXCLUSIVE AUTHORITY OF THE SECRETARY.—Nothing in this section shall be construed to alter or modify the authority of the Sec-

retary to use methyl bromide for quarantine and pre-shipment, without limitation, under the Clean Air Act.

(h) DEFINITIONS.—

(1) EMERGENCY EVENT.—The term “emergency event” means a situation—

(A) that occurs at a location on which a plant or commodity is grown or produced or a facility providing for the storage of, or other services with respect to, a plant or commodity;

(B) for which the lack of availability of methyl bromide for a particular use would result in significant economic loss to the owner, lessee, or operator of such a location or facility or the owner, grower, or purchaser of such a plant or commodity; and

(C) that, in light of the specific agricultural, meteorological, or other conditions presented, requires the use of methyl bromide to control a pest or disease in such location or facility because there are no technically or economically feasible alternatives to methyl bromide easily accessible by an entity referred to in subparagraph (B) at the time and location of the event that—

(i) are registered under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) for the intended use or pest to be so controlled; and

(ii) would adequately control the pest or disease presented at such location or facility.

(2) PEST.—The term “pest” has the meaning given such term in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136).

(3) QUALIFIED USE.—The term “qualified use” means, with respect to methyl bromide, a methyl bromide treatment or application in an amount not to exceed the limitations specified in subsection (e) in response to an emergency event.

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FEDERAL CROP INSURANCE ACT

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TITLE V—CROP INSURANCE

Subtitle A—Federal Crop Insurance Act

* * * * *

SEC. 508. CROP INSURANCE.

(a) AUTHORITY TO OFFER INSURANCE.—

(1) IN GENERAL.—If sufficient actuarial data are available (as determined by the Corporation), the Corporation may insure, or provide reinsurance for insurers of, producers of agricultural commodities grown in the United States under 1 or more plans of insurance determined by the Corporation to be adapted to the agricultural commodity concerned. To qualify for coverage under a plan of insurance, the losses of the insured commodity

must be due to drought, flood, or other natural disaster (as determined by the Secretary).

(2) PERIOD.—Except in the cases of tobacco, potatoes, and sweet potatoes, insurance shall not extend beyond the period during which the insured commodity is in the field. As used in the preceding sentence, in the case of an aquacultural species, the term “field” means the environment in which the commodity is produced.

(3) EXCLUSION OF LOSSES DUE TO CERTAIN ACTIONS OF PRODUCER.—

(A) EXCLUSIONS.—Insurance provided under this subsection shall not cover losses due to—

- (i) the neglect or malfeasance of the producer;
- (ii) the failure of the producer to reseed to the same crop in such areas and under such circumstances as it is customary to reseed; or
- (iii) the failure of the producer to follow good farming practices, including scientifically sound sustainable and organic farming practices.

(B) GOOD FARMING PRACTICES.—

(i) INFORMAL ADMINISTRATIVE PROCESS.—A producer shall have the right to a review of a determination regarding good farming practices made under subparagraph (A)(iii) in accordance with an informal administrative process to be established by the Corporation.

(ii) ADMINISTRATIVE REVIEW.—

(I) NO ADVERSE DECISION.—The determination shall not be considered an adverse decision for purposes of subtitle H of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6991 et seq.).

(II) REVERSAL OR MODIFICATION.—Except as provided in clause (i), the determination may not be reversed or modified as the result of a subsequent administrative review.

(iii) JUDICIAL REVIEW.—

(I) RIGHT TO REVIEW.—A producer shall have the right to judicial review of the determination without exhausting any right to a review under clause (i).

(II) REVERSAL OR MODIFICATION.—The determination may not be reversed or modified as the result of judicial review unless the determination is found to be arbitrary or capricious.

(C) LIMITATION ON REVENUE COVERAGE FOR POTATOES.—No policy or plan of insurance provided under this subtitle (including a policy or plan of insurance approved by the Board under subsection (h)) shall cover losses due to a reduction in revenue for potatoes except as covered under a whole farm policy or plan of insurance, as determined by the Corporation.

(4) EXPANSION TO OTHER AREAS OR SINGLE PRODUCERS.—

(A) AREA EXPANSION.—The Corporation may offer plans of insurance or reinsurance for production of agricultural commodities in the Commonwealth of Puerto Rico, the Vir-

gin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau in the same manner as provided in this section for production of agricultural commodities in the United States.

(B) PRODUCER EXPANSION.—In an area in the United States or specified in subparagraph (A) where crop insurance is not available for a particular agricultural commodity, the Corporation may offer to enter into a written agreement with an individual producer operating in the area for insurance coverage under this subtitle if the producer has actuarially sound data relating to the production by the producer of the commodity or similar commodities and the data is acceptable to the Corporation.

(5) DISSEMINATION OF CROP INSURANCE INFORMATION.—

(A) AVAILABLE INFORMATION.—The Corporation shall make available to producers through local offices of the Department—

(i) current and complete information on all aspects of Federal crop insurance; and

(ii) a listing of insurance agents and companies offering to sell crop insurance in the area of the producers.

(B) USE OF ELECTRONIC METHODS.—

(i) DISSEMINATION BY CORPORATION.—The Corporation shall make the information described in subparagraph (A) available electronically to producers and approved insurance providers.

(ii) SUBMISSION TO CORPORATION.—To the maximum extent practicable, the Corporation shall allow producers and approved insurance providers to use electronic methods to submit information required by the Corporation.

(6) ADDITION OF NEW AND SPECIALTY CROPS.—

(A) DATA COLLECTION.—Not later than 180 days after the date of enactment of this paragraph, the Secretary shall issue guidelines for publication in the Federal Register for data collection to assist the Corporation in formulating crop insurance policies for new and specialty crops.

(B) ADDITION OF NEW CROPS.—Not later than 1 year after the date of enactment of this paragraph, and annually thereafter, the Corporation shall report to Congress on the progress and expected timetable for expanding crop insurance coverage under this subtitle to new and specialty crops.

(C) ADDITION OF DIRECT SALE PERISHABLE CROPS.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall report to Congress on the feasibility of offering a crop insurance program designed to meet the needs of specialized producers of vegetables and other perishable crops who market through direct marketing channels.

(D) ADDITION OF NURSERY CROPS.—Not later than 2 years after the date of enactment of this subparagraph, the

Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.

(7) ADEQUATE COVERAGE FOR STATES.—

(A) DEFINITION OF ADEQUATELY SERVED.—In this paragraph, the term “adequately served” means having a participation rate that is at least 50 percent of the national average participation rate.

(B) REVIEW.—The Board shall review the policies and plans of insurance that are offered by approved insurance providers under this subtitle to determine if each State is adequately served by the policies and plans of insurance.

(C) REPORT.—

(i) IN GENERAL.—Not later than 30 days after completion of the review under subparagraph (B), the Board shall submit to Congress a report on the results of the review.

(ii) RECOMMENDATIONS.—The report shall include recommendations to increase participation in States that are not adequately served by the policies and plans of insurance.

(8) SPECIAL PROVISIONS FOR COTTON AND RICE.—Notwithstanding any other provision of this subtitle, beginning with the 2001 crops of upland cotton, extra long staple cotton, and rice, the Corporation shall offer plans of insurance, including prevented planting coverage and replanting coverage, under this subtitle that cover losses of upland cotton, extra long staple cotton, and rice resulting from failure of irrigation water supplies due to drought and saltwater intrusion.

(9) PREMIUM ADJUSTMENTS.—

(A) PROHIBITION.—Except as provided in subparagraph (B), no person shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, either as an inducement to procure insurance or after insurance has been procured, any rebate, discount, abatement, credit, or reduction of the premium named in an insurance policy or any other valuable consideration or inducement not specified in the policy.

(B) EXCEPTIONS.—Subparagraph (A) does not apply with respect to—

(i) a payment authorized under subsection (b)(5)(B);

or

[(ii) a performance-based discount authorized under subsection (d)(3); or]

[(iii) (ii) a patronage dividend, or similar payment, that is paid—

(I) by an entity that was approved by the Corporation to make such payments for the 2005, 2006, or 2007 reinsurance year, in accordance with subsection (b)(5)(B) as in effect on the day before the date of enactment of this paragraph; and

(II) in a manner consistent with the payment plan approved in accordance with that subsection for the entity by the Corporation for the applicable reinsurance year.

(C) PUBLICATION OF VIOLATIONS.—

(i) PUBLICATION REQUIRED.—Subject to clause (ii), the Corporation shall publish in a timely manner on the website of the Risk Management Agency information regarding each violation of this paragraph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.

(ii) PROTECTION OF PRIVACY.—In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect the privacy of those persons and entities.

(10) COMMISSIONS.—

(A) DEFINITION OF IMMEDIATE FAMILY.—In this paragraph, the term “immediate family” means an individual’s father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of the foregoing, and the individual’s spouse.

(B) PROHIBITION.—No individual (including a subagent) may receive directly, or indirectly through an entity, any compensation (including any commission, profit sharing, bonus, or any other direct or indirect benefit) for the sale or service of a policy or plan of insurance offered under this subtitle if—

(i) the individual has a substantial beneficial interest, or a member of the individual’s immediate family has a substantial beneficial interest, in the policy or plan of insurance; and

(ii) the total compensation to be paid to the individual with respect to the sale or service of the policies or plans of insurance that meet the condition described in clause (i) exceeds 30 percent or the percentage specified in State law, whichever is less, of the total of all compensation received directly or indirectly by the individual for the sale or service of all policies and plans of insurance offered under this subtitle for the reinsurance year.

(C) REPORTING.—Not later than 90 days after the annual settlement date of the reinsurance year, any individual that received directly or indirectly any compensation for the service or sale of any policy or plan of insurance offered under this subtitle in the prior reinsurance year shall certify to applicable approved insurance providers that the compensation that the individual received was in compliance with this paragraph.

(D) SANCTIONS.—The procedural requirements and sanctions prescribed in section 515(h) shall apply to the prosecution of a violation of this paragraph.

(E) APPLICABILITY.—

(i) IN GENERAL.—Sanctions for violations under this paragraph shall only apply to the individuals or entities directly responsible for the certification required under subparagraph (C) or the failure to comply with the requirements of this paragraph.

(ii) PROHIBITION.—No sanctions shall apply with respect to the policy or plans of insurance upon which compensation is received, including the reinsurance for those policies or plans.

(b) CATASTROPHIC RISK PROTECTION.—

(1) COVERAGE AVAILABILITY.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), the] *The Corporation* shall offer a catastrophic risk protection plan to indemnify producers for crop loss due to loss of yield or prevented planting, if provided by the Corporation, when the producer is unable, because of drought, flood, or other natural disaster (as determined by the Secretary), to plant other crops for harvest on the acreage for the crop year.

[(B) EXCEPTION.—Coverage described in subparagraph (A) shall not be available for crops and grasses used for grazing.]

(2) AMOUNT OF COVERAGE.—

(A) IN GENERAL.—Subject to subparagraph (B)—

(i) in the case of each of the 1995 through 1998 crop years, catastrophic risk protection shall offer a producer coverage for a 50 percent loss in yield, on an individual yield or area yield basis, indemnified at 60 percent of the expected market price, or a comparable coverage (as determined by the Corporation); and

(ii) in the case of each of the 1999 and subsequent crop years, catastrophic risk protection shall offer a producer coverage for a 50 percent loss in yield, on an individual yield or area yield basis, indemnified at 55 percent of the expected market price, or a comparable coverage (as determined by the Corporation).

(B) REDUCTION IN ACTUAL PAYMENT.—The amount paid to a producer on a claim under catastrophic risk protection may reflect a reduction that is proportional to the out-of-pocket expenses that are not incurred by the producer as a result of not planting, growing, or harvesting the crop for which the claim is made, as determined by the Corporation.

(3) ALTERNATIVE CATASTROPHIC COVERAGE.—Beginning with the 2001 crop year, the Corporation shall offer producers of an agricultural commodity the option of selecting either of the following:

(A) The catastrophic risk protection coverage available under paragraph (2)(A).

(B) An alternative catastrophic risk protection coverage that—

(i) indemnifies the producer on an area yield and loss basis if such a policy or plan of insurance is offered for the agricultural commodity in the county in which the farm is located;

(ii) provides, on a uniform national basis, a higher combination of yield and price protection than the coverage available under paragraph (2)(A); and

(iii) the Corporation determines is comparable to the coverage available under paragraph (2)(A) for purposes of subsection (e)(2)(A).

(4) SALE OF CATASTROPHIC RISK COVERAGE.—

(A) IN GENERAL.—Catastrophic risk coverage may be offered by—

(i) approved insurance providers, if available in an area; and

(ii) at the option of the Secretary that is based on considerations of need, local offices of the Department.

(B) NEED.—For purposes of considering need under subparagraph (A)(ii), the Secretary may take into account the most efficient and cost-effective use of resources, the availability of personnel, fairness to local producers, the needs and convenience of local producers, and the availability of private insurance carriers.

(C) DELIVERY OF COVERAGE.—

(i) IN GENERAL.—In full consultation with approved insurance providers, the Secretary may continue to offer catastrophic risk protection in a State (or a portion of a State) through local offices of the Department if the Secretary determines that there is an insufficient number of approved insurance providers operating in the State or portion of the State to adequately provide catastrophic risk protection coverage to producers.

(ii) COVERAGE BY APPROVED INSURANCE PROVIDERS.—To the extent that catastrophic risk protection coverage by approved insurance providers is sufficiently available in a State (or a portion of a State) as determined by the Secretary, only approved insurance providers may provide the coverage in the State or portion of the State.

(iii) TIMING OF DETERMINATIONS.—Not later than 90 days after the date of enactment of this subparagraph, the Secretary shall announce the results of the determinations under clause (i) for policies for the 1997 crop year. For subsequent crop years, the Secretary shall make the announcement not later than April 30 of the year preceding the year in which the crop will be produced, or at such other times during the year as the Secretary finds practicable in consultation with affected crop insurance providers for those States (or portions of States) in which catastrophic coverage remains available through local offices of the Department.

(iv) CURRENT POLICIES.—This clause shall take effect beginning with the 1997 crop year. Subject to clause (ii) all catastrophic risk protection policies written by local offices of the Department shall be transferred to the approved insurance provider for performance of all sales, service, and loss adjustment func-

tions. Any fees in connection with such policies that are not yet collected at the time of the transfer shall be payable to the approved insurance providers assuming the policies. The transfer process for policies for the 1997 crop year with sales closing dates before January 1, 1997, shall begin at the time of the Secretary's announcement under clause (iii) and be completed by the sales closing date for the crop and county. The transfer process for all subsequent policies (including policies for the 1998 and subsequent crop years) shall begin at a date that permits the process to be completed not later than 45 days before the sales closing date.

(5) ADMINISTRATIVE FEE.—

(A) BASIC FEE.—Each producer shall pay an administrative fee for catastrophic risk protection in the amount of ~~[\$300]~~ \$500 per crop per county.

(B) PAYMENT OF CATASTROPHIC RISK PROTECTION FEE ON BEHALF OF PRODUCERS.—

(i) PAYMENT AUTHORIZED.—If State law permits a licensing fee to be paid by an insurance provider to a cooperative association or trade association and rebated to a producer through the payment of catastrophic risk protection administrative fees, a cooperative association or trade association located in that State may pay, on behalf of a member of the association in that State or a contiguous State who consents to be insured under such an arrangement, all or a portion of the administrative fee required by this paragraph for catastrophic risk protection.

(ii) SELECTION OF PROVIDER.—Nothing in this subparagraph limits the option of a producer to select the licensed insurance agent or other approved insurance provider from whom the producer will purchase a policy or plan of insurance or to refuse coverage for which a payment is offered to be made under clause (i).

(iii) DELIVERY OF INSURANCE.—Catastrophic risk protection coverage for which a payment is made under clause (i) shall be delivered by a licensed insurance agent or other approved insurance provider.

(iv) ADDITIONAL COVERAGE ENCOURAGED.—A cooperative association or trade association, and any approved insurance provider with whom a licensing fee is made, shall encourage producer members to purchase appropriate levels of coverage in order to meet the risk management needs of the member producers.

(C) TIME FOR PAYMENT.—The administrative fee required by this paragraph shall be paid by the producer on the same date on which the premium for a policy of additional coverage would be paid by the producer.

(D) USE OF FEES.—

(i) IN GENERAL.—The amounts paid under this paragraph shall be deposited in the crop insurance fund established under section 516(c), to be available for the programs and activities of the Corporation.

(ii) LIMITATION.—No funds deposited in the crop insurance fund under this subparagraph may be used to compensate an approved insurance provider or agent for the delivery of services under this subsection.

(E) WAIVER OF FEE.—The Corporation shall waive the amounts required under this paragraph for limited resource farmers and beginning farmers or ranchers, as defined by the Corporation.

(6) PARTICIPATION REQUIREMENT.—A producer may obtain catastrophic risk coverage for a crop of the producer on land in the county only if the producer obtains the coverage for the crop on all insurable land of the producer in the county.

(7) LIMITATION DUE TO RISK.—The Corporation may limit catastrophic risk coverage in any county or area, or on any farm, on the basis of the insurance risk concerned.

(8) TRANSITIONAL COVERAGE FOR 1995 CROPS.—Effective only for a 1995 crop planted or for which insurance attached prior to January 1, 1995, the Corporation shall allow producers of the crops until not later than the end of the 180-day period beginning on the date of enactment of the Federal Crop Insurance Reform Act of 1994 to obtain catastrophic risk protection for the crop. On enactment of such Act, a producer who made timely purchases of a crop insurance policy before the date of enactment of such Act, under the provisions of this subtitle then in effect, shall be eligible for the same benefits to which a producer would be entitled under comparable additional coverage under subsection (c).

(9) SIMPLIFICATION.—

(A) CATASTROPHIC RISK PROTECTION PLANS.—In developing and carrying out the policies and procedures for a catastrophic risk protection plan under this subtitle, the Corporation shall, to the maximum extent practicable, minimize the paperwork required and the complexity and costs of procedures governing applications for, processing, and servicing of the plan for all parties involved.

(B) OTHER PLANS.—To the extent that the policies and procedures developed under subparagraph (A) may be applied to other plans of insurance offered under this subtitle without jeopardizing the actuarial soundness or integrity of the crop insurance program, the Corporation shall apply the policies and procedures to the other plans of insurance within a reasonable period of time (as determined by the Corporation) after the effective date of this paragraph.

(10) LOSS ADJUSTMENT.—The rate for reimbursing an approved insurance provider or agent for expenses incurred by the approved insurance provider or agent for loss adjustment in connection with a policy of catastrophic risk protection shall not exceed 6 percent of the premium for catastrophic risk protection that is used to define loss ratio.

(c) GENERAL COVERAGE LEVELS.—

(1) ADDITIONAL COVERAGE GENERALLY.—

(A) IN GENERAL.—The Corporation shall offer to producers of agricultural commodities grown in the United States plans of crop insurance that provide additional coverage.

(B) PURCHASE.—To be eligible for additional coverage, a producer must apply to an approved insurance provider for purchase of additional coverage if the coverage is available from an approved insurance provider. If additional coverage is unavailable privately, the Corporation may offer additional coverage plans of insurance directly to producers.

(C) *INELIGIBLE CROPS AND ACRES.*—Crops for which the producer has elected under section 1117 of the Agriculture and Nutrition Act of 2018 to receive agriculture risk coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for—

- (i) coverage based on an area yield and loss basis under paragraph (3)(A)(ii); or
- (ii) supplemental coverage under paragraph (4)(C).

(2) TRANSFER OF RELEVANT INFORMATION.—If a producer has already applied for catastrophic risk protection at the local office of the Department and elects to purchase additional coverage, the relevant information for the crop of the producer shall be transferred to the approved insurance provider servicing the additional coverage crop policy.

(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—

- (A)(i) an individual yield and loss basis;
- (ii) an area yield and loss basis;
- (B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover a part of the deductible under the individual yield and loss policy, as described in paragraph (4)(C); or
- (C) a margin basis alone or in combination with the coverages available under subparagraph (A) or (B).

(4) LEVEL OF COVERAGE.—

(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD.—Except as provided in subparagraph (C), the level of coverage—

- (i) shall be dollar denominated; and
- (ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).

(B) INFORMATION.—The Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

(C) SUPPLEMENTAL COVERAGE OPTION.—

(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—

- (I) at a county-wide level to the fullest extent practicable; or

(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

(ii) TRIGGER.—Coverage offered under paragraph (3)(B) and clause (i) shall be triggered only if the losses in the area exceed 14 percent of normal levels (as determined by the Corporation).

(iii) COVERAGE.—Subject to the trigger described in clause (ii), coverage offered under paragraph (3)(B) and clause (i) shall not exceed the difference between—

(I) 86 percent; and

(II) the coverage level selected by the producer for the underlying policy or plan of insurance.

[(iv) INELIGIBLE CROPS AND ACRES.—Crops for which the producer has elected under section 1116 of the Agricultural Act of 2014 to receive agriculture risk coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for supplemental coverage under this subparagraph.]

[(v) (iv) CALCULATION OF PREMIUM.—Notwithstanding subsection (d), the premium for coverage offered under paragraph (3)(B) and clause (i) shall—

(I) be sufficient to cover anticipated losses and a reasonable reserve; and

(II) include an amount for operating and administrative expenses established in accordance with subsection (k)(4)(F).

(5) EXPECTED MARKET PRICE.—

(A) ESTABLISHMENT OR APPROVAL.—For the purposes of this subtitle, the Corporation shall establish or approve the price level (referred to in this subtitle as the “expected market price”) of each agricultural commodity for which insurance is offered.

(B) GENERAL RULE.—Except as otherwise provided in subparagraph (C), the expected market price of an agricultural commodity shall be not less than the projected market price of the agricultural commodity, as determined by the Corporation.

(C) OTHER AUTHORIZED APPROACHES.—The expected market price of an agricultural commodity—

(i) may be based on the actual market price of the agricultural commodity at the time of harvest, as determined by the Corporation;

(ii) in the case of revenue and other similar plans of insurance, may be the actual market price of the agricultural commodity, as determined by the Corporation;

(iii) in the case of cost of production or similar plans of insurance, shall be the projected cost of producing the agricultural commodity, as determined by the Corporation; or

(iv) in the case of other plans of insurance, may be an appropriate amount, as determined by the Corporation.

(D) GRAIN SORGHUM PRICE ELECTION.—

(i) IN GENERAL.—The Corporation, in conjunction with the Secretary (referred to in this subparagraph as the “Corporation”), shall—

(I) not later than 60 days after the date of enactment of this subparagraph, make available all methods and data, including data from the Economic Research Service, used by the Corporation to develop the expected market prices for grain sorghum under the production and revenue-based plans of insurance of the Corporation; and

(II) request applicable data from the grain sorghum industry.

(ii) EXPERT REVIEWERS.—

(I) IN GENERAL.—Not later than 120 days after the date of enactment of this subparagraph, the Corporation shall contract individually with 5 expert reviewers described in subclause (II) to develop and recommend a methodology for determining an expected market price for sorghum for both the production and revenue-based plans of insurance to more accurately reflect the actual price at harvest.

(II) REQUIREMENTS.—The expert reviewers under subclause (I) shall be comprised of agricultural economists with experience in grain sorghum and corn markets, of whom—

(aa) 2 shall be agricultural economists of institutions of higher education;

(bb) 2 shall be economists from within the Department; and

(cc) 1 shall be an economist nominated by the grain sorghum industry.

(iii) RECOMMENDATIONS.—

(I) IN GENERAL.—Not later than 90 days after the date of contracting with the expert reviewers under clause (ii), the expert reviewers shall submit, and the Corporation shall make available to the public, the recommendations of the expert reviewers.

(II) CONSIDERATION.—The Corporation shall consider the recommendations under subclause (I) when determining the appropriate pricing methodology to determine the expected market price for grain sorghum under both the production and revenue-based plans of insurance.

(III) PUBLICATION.—Not later than 60 days after the date on which the Corporation receives the recommendations of the expert reviewers, the Corporation shall publish the proposed pricing methodology for both the production and revenue-based plans of insurance for notice and comment and,

during the comment period, conduct at least 1 public meeting to discuss the proposed pricing methodologies.

(iv) APPROPRIATE PRICING METHODOLOGY.—

(I) IN GENERAL.—Not later than 180 days after the close of the comment period in clause (iii)(III), but effective not later than the 2010 crop year, the Corporation shall implement a pricing methodology for grain sorghum under the production and revenue-based plans of insurance that is transparent and replicable.

(II) INTERIM METHODOLOGY.—Until the date on which the new pricing methodology is implemented, the Corporation may continue to use the pricing methodology that the Corporation determines best establishes the expected market price.

(III) AVAILABILITY.—On an annual basis, the Corporation shall make available the pricing methodology and data used to determine the expected market prices for grain sorghum under the production and revenue-based plans of insurance, including any changes to the methodology used to determine the expected market prices for grain sorghum from the previous year.

(6) PRICE ELECTIONS.—

(A) IN GENERAL.—Subject to subparagraph (B), insurance coverage shall be made available to a producer on the basis of any price election that equals or is less than the price election established by the Corporation. The coverage shall be quoted in terms of dollars per acre.

(B) MINIMUM PRICE ELECTIONS.—The Corporation may establish minimum price elections below which levels of insurance shall not be offered.

(C) WHEAT CLASSES AND MALTING BARLEY.—The Corporation shall, as the Corporation determines practicable, offer producers different price elections for classes of wheat and malting barley (including contract prices in the case of malting barley), in addition to the standard price election, that reflect different market prices, as determined by the Corporation. The Corporation shall, as the Corporation determines practicable, offer additional coverage for each class determined under this subparagraph and charge a premium for each class that is actuarially sound.

(D) ORGANIC CROPS.—

(i) IN GENERAL.—As soon as possible, but not later than the 2015 reinsurance year, the Corporation shall offer producers of organic crops price elections for all organic crops produced in compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as determined by the Secretary using all relevant sources of information.

(ii) ANNUAL REPORT.—The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including—

(I) the numbers and varieties of organic crops insured;

(II) the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;

(III) the development of new insurance approaches relevant to organic producers; and

(IV) any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.

(7) FIRE AND HAIL COVERAGE.—For levels of additional coverage equal to 65 percent or more of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage, a producer may elect to delete from the additional coverage any coverage against damage caused by fire and hail if the producer obtains an equivalent or greater dollar amount of coverage for damage caused by fire and hail from an approved insurance provider. On written notice of the election to the company issuing the policy providing additional coverage and submission of evidence of substitute coverage on the commodity insured, the premium of the producer shall be reduced by an amount determined by the Corporation to be actuarially appropriate, taking into account the actuarial value of the remaining coverage provided by the Corporation. In no event shall the producer be given credit for an amount of premium determined to be greater than the actuarial value of the protection against losses caused by fire and hail that is included in the additional coverage for the crop.

(8) STATE PREMIUM SUBSIDIES.—The Corporation may enter into an agreement with any State or agency of a State under which the State or agency may pay to the approved insurance provider an additional premium subsidy to further reduce the portion of the premium paid by producers in the State.

(9) LIMITATIONS ON ADDITIONAL COVERAGE.—The Board may limit the availability of additional coverage under this subsection in any county or area, or on any farm, on the basis of the insurance risk involved. The Board shall not offer additional coverage equal to less than 50 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or an equivalent coverage.

(10) ADMINISTRATIVE FEE.—

(A) FEE REQUIRED.—If a producer elects to purchase coverage for a crop at a level in excess of catastrophic risk protection, the producer shall pay an administrative fee for the additional coverage of \$30 per crop per county.

(B) USE OF FEES; WAIVER.—Subparagraphs (D) and (E) of subsection (b)(5) shall apply with respect to the collection and use of administrative fees under this paragraph.

(C) TIME FOR PAYMENT.—Subsection (b)(5)(C) shall apply with respect to the collection date for the administrative fee.

(d) PREMIUMS.—

(1) PREMIUMS REQUIRED.—The Corporation shall fix adequate premiums for all the plans of insurance of the Corporation at such rates as the Board determines are actuarially sufficient to attain an expected loss ratio of not greater than—

(A) 1.1 through September 30, 1998;

(B) 1.075 for the period beginning October 1, 1998, and ending on the day before the date of enactment of the Food, Conservation, and Energy Act of 2008; and

(C) 1.0 on and after the date of enactment of that Act.

(2) PREMIUM AMOUNTS.—The premium amounts for catastrophic risk protection under subsection (b) and additional coverage under subsection (c) shall be fixed as follows:

(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve, as determined by the Corporation.

(B) In the case of additional coverage equal to or greater than 50 percent of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount of the premium shall—

(i) be sufficient to cover anticipated losses and a reasonable reserve; and

(ii) include an amount for operating and administrative expenses, as determined by the Corporation, on an industry-wide basis as a percentage of the amount of the premium used to define loss ratio.

[(3) PERFORMANCE-BASED DISCOUNT.—The Corporation may provide a performance-based premium discount for a producer of an agricultural commodity who has good insurance or production experience relative to other producers of that agricultural commodity in the same area, as determined by the Corporation.]

[(4)] (3) BILLING DATE FOR PREMIUMS.—Effective beginning with the 2012 reinsurance year, the Corporation shall establish August 15 as the billing date for premiums.

(e) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—

(1) IN GENERAL.—For the purpose of encouraging the broadest possible participation of producers in the catastrophic risk protection provided under subsection (b) and the additional coverage provided under subsection (c), the Corporation shall pay a part of the premium in the amounts provided in accordance with this subsection.

(2) AMOUNT OF PAYMENT.—Subject to paragraphs (3), (6), and (7), the amount of the premium to be paid by the Corporation shall be as follows:

(A) In the case of catastrophic risk protection, the amount shall be equivalent to the premium established for catastrophic risk protection under subsection (d)(2)(A).

(B) In the case of additional coverage equal to or greater than 50 percent, but less than 55 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 67 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(C) In the case of additional coverage equal to or greater than 55 percent, but less than 65 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 64 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(D) In the case of additional coverage equal to or greater than 65 percent, but less than 75 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(E) In the case of additional coverage equal to or greater than 75 percent, but less than 80 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(F) In the case of additional coverage equal to or greater than 80 percent, but less than 85 percent, of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 48 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(G) Subject to subsection (c)(4), in the case of additional coverage equal to or greater than 85 percent of the recorded or appraised average yield indemnified at not greater than 100 percent of the expected market price, or a comparable coverage for a policy or plan of insurance that is not based on individual yield, the amount shall be equal to the sum of—

(i) 38 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—

(i) 65 percent of the additional premium associated with the coverage; and

(ii) the amount determined under subsection (c)(4)(C)(v)(II), subject to subsection (k)(4)(F), for the coverage to cover operating and administrative expenses.

(3) PROHIBITION ON CONTINUOUS COVERAGE.—Notwithstanding paragraph (2), during each of the 2001 and subsequent reinsurance years, additional coverage under subsection (c) shall be available only in 5 percent increments beginning at 50 percent of the recorded or appraised average yield.

(4) PREMIUM PAYMENT DISCLOSURE.—Each policy or plan of insurance under this subtitle shall prominently indicate the dollar amount of the portion of the premium paid by the Corporation.

(5) ENTERPRISE AND WHOLE FARM UNITS.—

(A) IN GENERAL.—The Corporation may pay a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).

(B) AMOUNT.—The percentage of the premium paid by the Corporation to a policyholder for a policy with an enterprise or whole farm unit under this paragraph shall, to the maximum extent practicable, provide the same dollar amount of premium subsidy per acre that would otherwise

have been paid by the Corporation under paragraph (2) if the policyholder had purchased a basic or optional unit for the crop for the crop year.

(C) LIMITATION.—The amount of the premium paid by the Corporation under this paragraph may not exceed 80 percent of the total premium for the enterprise or whole farm unit policy.

(D) NONIRRIGATED CROPS.—Beginning with the 2015 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreage of crops in counties.

(6) PREMIUM SUBSIDY FOR AREA REVENUE PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a reduction in revenue in an area, the amount of the premium paid by the Corporation shall be as follows:

(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 75 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(B) In the case of additional area coverage equal to or greater than 75 percent, but less than 85 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(C) In the case of additional area coverage equal to or greater than 85 percent, but less than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 49 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(D) In the case of additional area coverage equal to or greater than 90 percent of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 44 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(7) PREMIUM SUBSIDY FOR AREA YIELD PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a loss of yield or prevented planting in an area, the amount of the premium paid by the Corporation shall be as follows:

(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 80 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(B) In the case of additional area coverage equal to or greater than 80 percent, but less than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(C) In the case of additional area coverage equal to or greater than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

(i) 51 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS.—Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher.

(f) ELIGIBILITY.—

(1) IN GENERAL.—To participate in catastrophic risk protection coverage under this section, a producer shall submit an

application at the local office of the Department or to an approved insurance provider.

(2) SALES CLOSING DATE.—

(A) IN GENERAL.—For coverage under this subtitle, each producer shall purchase crop insurance on or before the sales closing date for the crop by providing the required information and executing the required documents. Subject to the goal of ensuring actuarial soundness for the crop insurance program, the sales closing date shall be established by the Corporation to maximize convenience to producers in obtaining benefits under price and production adjustment programs of the Department.

(B) ESTABLISHED DATES.—Except as provided in subparagraph (C), the Corporation shall establish, for an insurance policy for each insurable crop that is planted in the spring, a sales closing date that is 30 days earlier than the corresponding sales closing date that was established for the 1994 crop year.

(C) EXCEPTION.—If compliance with subparagraph (B) results in a sales closing date for an agricultural commodity that is earlier than January 31, the sales closing date for that commodity shall be January 31 beginning with the 2000 crop year.

(3) RECORDS AND REPORTING.—To obtain catastrophic risk protection under subsection (b) or additional coverage under subsection (c), a producer shall—

(A) provide annually records acceptable to the Secretary regarding crop acreage, acreage yields, and production for each agricultural commodity insured under this subtitle or accept a yield determined by the Corporation; and

(B) report acreage planted and prevented from planting by the designated acreage reporting date for the crop and location as established by the Corporation.

(g) YIELD DETERMINATIONS.—

(1) IN GENERAL.—Subject to paragraph (2), the Corporation shall establish crop insurance underwriting rules that ensure that yield coverage, as specified in this subsection, is provided to eligible producers obtaining catastrophic risk protection under subsection (b) or additional coverage under subsection (c).

(2) YIELD COVERAGE PLANS.—

(A) ACTUAL PRODUCTION HISTORY.—Subject to subparagraph (B) and paragraph (4)(C), the yield for a crop shall be based on the actual production history for the crop, if the crop was produced on the farm without penalty during each of the 4 crop years immediately preceding the crop year for which actual production history is being established, building up to a production data base for each of the 10 consecutive crop years preceding the crop year for which actual production history is being established.

(B) ASSIGNED YIELD.—If the producer does not provide satisfactory evidence of the yield of a commodity under subparagraph (A), the producer shall be assigned—

(i) a yield that is not less than 65 percent of the transitional yield of the producer (adjusted to reflect

actual production reflected in the records acceptable to the Corporation for continuous years), as specified in regulations issued by the Corporation based on production history requirements;

(ii) a yield determined by the Corporation, in the case of—

(I) a producer that has not had a share of the production of the insured crop for more than two crop years, as determined by the Secretary;

(II) a producer that produces an agricultural commodity on land that has not been farmed by the producer; or

(III) a producer that rotates a crop produced on a farm to a crop that has not been produced on the farm; or

(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the decision-making or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

(II) a yield of the producer, as determined in clause (i).

(C) AREA YIELD.—The Corporation may offer a crop insurance plan based on an area yield that allows an insured producer to qualify for an indemnity if a loss has occurred in an area (as specified by the Corporation) in which the farm of the producer is located. Under an area yield plan, an insured producer shall be allowed to select the level of area production at which an indemnity will be paid consistent with such terms and conditions as are established by the Corporation.

(D) COMMODITY-BY-COMMODITY BASIS.—A producer may choose between individual yield or area yield coverage or combined coverage, if available, on a commodity-by-commodity basis

(E) SOURCES OF YIELD DATA.—To determine yields under this paragraph, the Corporation—

(i) shall use county data collected by the Risk Management Agency, the National Agricultural Statistics Service, or both; or

(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.

(3) TRANSITIONAL YIELDS FOR PRODUCERS OF FEED OR FORAGE.—

(A) IN GENERAL.—If a producer does not provide satisfactory evidence of a yield under paragraph (2)(A), the producer shall be assigned a yield that is at least 80 percent of the transitional yield established by the Corporation (adjusted to reflect the actual production history of the producer) if the Secretary determines that—

(i) the producer grows feed or forage primarily for on-farm use in a livestock, dairy, or poultry operation; and

(ii) over 50 percent of the net farm income of the producer is derived from the operation.

(B) YIELD CALCULATION.—The Corporation shall—

(i) for the first year of participation of a producer, provide the assigned yield under this paragraph to the producer of feed or forage; and

(ii) for the second year of participation of the producer, apply the actual production history or assigned yield requirement, as provided in this subsection.

(C) TERMINATION OF AUTHORITY.—The authority provided by this paragraph shall terminate on the date that is 3 years after the effective date of this paragraph.

(4) ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.—

(A) APPLICATION.—This paragraph shall apply whenever the Corporation uses the actual production records of the producer to establish the producer's actual production history for an agricultural commodity for any of the 2001 and subsequent crop years.

(B) ELECTION TO USE PERCENTAGE OF TRANSITIONAL YIELD.—If, for one or more of the crop years used to establish the producer's actual production history of an agricultural commodity, the producer's recorded or appraised yield of the commodity was less than 60 percent of the applicable transitional yield, as determined by the Corporation, the Corporation shall, at the election of the producer—

(i) exclude any of such recorded or appraised yield; and—

(ii)(I) replace each excluded yield with a yield equal to 60 percent of the applicable transitional yield; or

(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.

(C) ELECTION TO EXCLUDE CERTAIN HISTORY.—

(i) IN GENERAL.—Notwithstanding paragraph (2), with respect to 1 or more of the crop years used to establish the actual production history of an agricultural commodity of the producer, the producer may elect to exclude any recorded or appraised yield for any crop year in which the per planted acre yield of the agricultural commodity in the county of the producer was at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years.

(ii) CONTIGUOUS COUNTIES.—In any crop year that a producer in a county is eligible to make an election to exclude a yield under clause (i), a producer in a contiguous county is eligible to make such an election.

(iii) IRRIGATION PRACTICE.—For purposes of determining whether the per planted acre yield of the agricultural commodity in the county of the producer was

at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years, the Corporation shall make a separate determination for irrigated and nonirrigated acreage.

(D) PREMIUM ADJUSTMENT.—In the case of a producer that makes an election under subparagraph (B) or (C), the Corporation shall adjust the premium to reflect the risk associated with the adjustment made in the actual production history of the producer.

(5) ADJUSTMENT TO REFLECT INCREASED YIELDS FROM SUCCESSFUL PEST CONTROL EFFORTS.—

(A) SITUATIONS JUSTIFYING ADJUSTMENT.—The Corporation shall develop a methodology for adjusting the actual production history of a producer when each of the following apply:

(i) The producer's farm is located in an area where systematic, area-wide efforts have been undertaken using certain operations or measures, or the producer's farm is a location at which certain operations or measures have been undertaken, to detect, eradicate, suppress, or control, or at least to prevent or retard the spread of, a plant disease or plant pest, including a plant pest (as defined in section 102 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a)).

(ii) The presence of the plant disease or plant pest has been found to adversely affect the yield of the agricultural commodity for which the producer is applying for insurance.

(iii) The efforts described in clause (i) have been effective.

(B) ADJUSTMENT AMOUNT.—The amount by which the Corporation adjusts the actual production history of a producer of an agricultural commodity shall reflect the degree to which the success of the systematic, area-wide efforts described in subparagraph (A), on average, increases the yield of the commodity on the producer's farm, as determined by the Corporation.

(6) CONTINUED AUTHORITY.—

(A) IN GENERAL.—*The Corporation shall establish—*

(i) underwriting rules that limit the decrease in the actual production history of a producer, at the election of the producer, to not more than 10 percent of the actual production history of the previous crop year provided that the production decline was the result of drought, flood, natural disaster, or other insurable loss (as determined by the Corporation); and

(ii) actuarially sound premiums to cover additional risk.

(B) OTHER AUTHORITY.—*The authority provided under subparagraph (A) is in addition to any other authority that adjusts the actual production history of the producer under this Act.*

(C) *EFFECT.*—*Nothing in this paragraph shall be construed to require a change in the carrying out of any provision of this Act as the Act was carried out for the 2018 reinsurance year.*

(h) SUBMISSION OF POLICIES AND MATERIALS TO BOARD.—

(1) AUTHORITY TO SUBMIT.—

(A) IN GENERAL.—In addition to any standard forms or policies that the Board may require be made available to producers under subsection (c), a person (including an approved insurance provider, a college or university, a cooperative or trade association, or any other person) may prepare for submission or propose to the Board—

(i) other crop insurance policies and provisions of policies; and

(ii) rates of premiums for multiple peril crop insurance pertaining to wheat, soybeans, field corn, and any other crops determined by the Secretary.

(B) REVIEW AND SUBMISSION BY CORPORATION.—The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—

(i) will likely result in a viable and marketable policy consistent with this subsection;

(ii) would provide crop insurance coverage in a significantly improved form; and

(iii) adequately protects the interests of producers.

(2) SUBMISSION OF POLICIES.—A policy or other material submitted to the Board under this subsection may be prepared without regard to the limitations contained in this subtitle, including the requirements concerning the levels of coverage and rates and the requirement that a price level for each commodity insured must equal the expected market price for the commodity as established by the Board.

(3) REVIEW AND APPROVAL BY THE BOARD.—

(A) IN GENERAL.—A policy, plan of insurance, or other material submitted to the Board under this subsection shall be reviewed by the Board and shall be approved by the Board for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions if the Board determines that—

(i) the interests of producers are adequately protected;

(ii) the proposed policy or plan of insurance will—

(I) provide a new kind of coverage that is likely to be viable and marketable;

(II) provide crop insurance coverage in a manner that addresses a clear and identifiable flaw or problem in an existing policy; or

(III) provide a new kind of coverage for a commodity that previously had no available crop insurance, or has demonstrated a low level of par-

ticipation or coverage level under existing coverage; and

(iii) the proposed policy or plan of insurance will not have a significant adverse impact on the crop insurance delivery system.

(B) CONSIDERATION.—In approving policies or plans of insurance, the Board shall in a timely manner—

(i) first, consider policies or plans of insurance that address underserved commodities, including commodities for which there is no insurance;

(ii) second, consider existing policies or plans of insurance for which there is inadequate coverage or there exists low levels of participation; and

(iii) last, consider all policies or plans of insurance submitted to the Board that do not meet the criteria described in clause (i) or (ii).

(C) SPECIFIED REVIEW AND APPROVAL PRIORITIES.—In reviewing policies and other materials submitted to the Board under this subsection for approval, the Board—

(i) shall make the development and approval of a revenue policy for peanut producers a priority so that a revenue policy is available to peanut producers in time for the 2015 crop year;

(ii) shall make the development and approval of a margin coverage policy for rice producers a priority so that a margin coverage policy is available to rice producers in time for the 2015 crop year; and

(iii) may approve a submission that is made pursuant to this subsection that would, beginning with the 2015 crop year, allow producers that purchase policies in accordance with subsection (e)(5)(A) to separate enterprise units by risk rating for acreage of crops in counties.

(4) GUIDELINES FOR SUBMISSION AND REVIEW.—The Corporation shall issue regulations to establish guidelines for the submission, and Board review, of policies or other material submitted to the Board under this subsection. At a minimum, the guidelines shall ensure the following:

(A) CONFIDENTIALITY.—

(i) IN GENERAL.—A proposal submitted to the Board under this subsection (including any information generated from the proposal) shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

(ii) STANDARD OF CONFIDENTIALITY.—If information concerning a proposal could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

(iii) APPLICATION.—This subparagraph shall apply with respect to a proposal only during the period preceding any approval of the proposal by the Board.

(B) PERSONAL PRESENTATION.—The Board shall provide an applicant with the opportunity to present the proposal to the Board in person if the applicant so desires.

(C) NOTIFICATION OF INTENT TO DISAPPROVE.—

(i) TIME PERIOD.—The Board shall provide an applicant with notification of intent to disapprove a proposal not later than 30 days prior to making the disapproval.

(ii) MODIFICATION OF APPLICATION.—

(I) AUTHORITY.—An applicant that receives the notification may modify the application, and such application, as modified, shall be considered by the Board in the manner provided in subparagraph (D) within the 30-day period beginning on the date the modified application is submitted.

(II) TIME PERIOD.—Clause (i) shall not apply to the Board's consideration of the modified application.

(iii) EXPLANATION.—Any notification of intent to disapprove a policy or other material submitted under this subsection shall be accompanied by a complete explanation as to the reasons for the Board's intention to deny approval.

(D) DETERMINATION TO APPROVE OR DISAPPROVE POLICIES OR MATERIALS.—

(i) TIME PERIOD.—Not later than 120 days after a policy or other material is submitted under this subsection, the Board shall make a determination to approve or disapprove the policy or material.

(ii) EXPLANATION.—Any determination by the Board to disapprove any policy or other material shall be accompanied by a complete explanation of the reasons for the Board's decision to deny approval.

(iii) FAILURE TO MEET DEADLINE.—Notwithstanding any other provision of this subtitle, if the Board fails to make a determination within the prescribed time period, the submitted policy or other material shall be deemed approved by the Board for the initial reinsurance year designated for the policy or material, unless the Board and the applicant agree to an extension.

(E) CONSULTATION.—

(i) REQUIREMENT.—As part of the feasibility and research associated with the development of a policy or other material for fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture), the submitter prior to making a submission under this subsection shall consult with groups representing producers of those agricultural commodities in all major producing areas for the commodities to be served or potentially impacted, either directly or indirectly.

(ii) SUBMISSION TO THE BOARD.—Any submission made to the Board under this subsection shall contain a summary and analysis of the feasibility and research findings from the impacted groups described in clause

(i), including a summary assessment of the support for or against development of the policy and an assessment on the impact of the proposed policy to the general marketing and production of the crop from both a regional and national perspective.

(iii) EVALUATION BY THE BOARD.—In evaluating whether the interests of producers are adequately protected pursuant to paragraph (3) with respect to a submission made under this subsection, the Board shall review the information provided pursuant to clause (ii) to determine if the submission will create adverse market distortions with respect to the production of commodities that are the subject of the submission.

(5) PREMIUM SCHEDULE.—

(A) PAYMENT BY CORPORATION.—In the case of a policy or plan of insurance developed and approved under this subsection or section 522, or conducted under section 523 (other than a policy or plan of insurance applicable to livestock), the Corporation shall pay a portion of the premium of the policy or plan of insurance that is equal to—

(i) the percentage, specified in subsection (e) for a similar level of coverage, of the total amount of the premium used to define loss ratio; and

(ii) an amount for administrative and operating expenses determined in accordance with subsection (k)(4).

(B) TRANSITIONAL SCHEDULE.—Effective only during the 2001 reinsurance year, in the case of a policy or plan of insurance developed and approved under this subsection or section 522, or conducted under section 523 (other than a policy or plan of insurance applicable to livestock), and first approved by the Board after the date of the enactment of this subparagraph, the payment by the Corporation of a portion of the premium of the policy may not exceed the dollar amount that would otherwise be authorized under subsection (e) (consistent with subsection (c)(5), as in effect on the day before the date of the enactment of this subparagraph).

(6) ADDITIONAL PREVENTED PLANTING POLICY COVERAGE.—

(A) IN GENERAL.—Beginning with the 1995 crop year, the Corporation shall offer to producers additional prevented planting coverage that insures producers against losses in accordance with this paragraph.

(B) APPROVED INSURANCE PROVIDERS.—Additional prevented planting coverage shall be offered by the Corporation through approved insurance providers.

(C) TIMING OF LOSS.—A crop loss shall be covered by the additional prevented planting coverage if—

(i) crop insurance policies were obtained for—

(I) the crop year the loss was experienced; and

(II) the crop year immediately preceding the year of the prevented planting loss; and

(ii) the cause of the loss occurred—

(I) after the sales closing date for the crop in the crop year immediately preceding the loss; and

(II) before the sales closing date for the crop in the year in which the loss is experienced.

(i) ADOPTION OF RATES AND COVERAGES.—

(1) IN GENERAL.—The Corporation shall adopt, as soon as practicable, rates and coverages that will improve the actuarial soundness of the insurance operations of the Corporation for those crops that are determined to be insured at rates that are not actuarially sound, except that no rate may be increased by an amount of more than 20 percent over the comparable rate of the preceding crop year.

(2) REVIEW OF RATING METHODOLOGIES.—To maximize participation in the Federal crop insurance program and to ensure equity for producers, the Corporation shall periodically review the methodologies employed for rating plans of insurance under this subtitle consistent with section 507(c)(2).

(3) ANALYSIS OF RATING AND LOSS HISTORY.—The Corporation shall analyze the rating and loss history of approved policies and plans of insurance for agricultural commodities by area.

(4) PREMIUM ADJUSTMENT.—If the Corporation makes a determination that premium rates are excessive for an agricultural commodity in an area relative to the requirements of subsection (d)(2) for that area, then, for the 2002 crop year (and as necessary thereafter), the Corporation shall make appropriate adjustments in the premium rates for that area for that agricultural commodity.

(j) CLAIMS FOR LOSSES.—

(1) IN GENERAL.—Under rules prescribed by the Corporation, the Corporation may provide for adjustment and payment of claims for losses. The rules prescribed by the Corporation shall establish standards to ensure that all claims for losses are adjusted, to the extent practicable, in a uniform and timely manner.

(2) DENIAL OF CLAIMS.—

(A) IN GENERAL.—Subject to subparagraph (B), if a claim for indemnity is denied by the Corporation or an approved provider on behalf of the Corporation, an action on the claim may be brought against the Corporation or Secretary only in the United States district court for the district in which the insured farm is located.

(B) STATUTE OF LIMITATIONS.—A suit on the claim may be brought not later than 1 year after the date on which final notice of denial of the claim is provided to the claimant.

(3) INDEMNIFICATION.—The Corporation shall provide approved insurance providers with indemnification, including costs and reasonable attorney fees incurred by the approved insurance provider, due to errors or omissions on the part of the Corporation.

(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.

(5) SETTLEMENT OF CLAIMS ON FARM-STORED PRODUCTION.—A producer with farm-stored production may, at the option of the producer, delay settlement of a crop insurance claim relating to the farm-stored production for up to 4 months after the

last date on which claims may be submitted under the policy of insurance.

(k) REINSURANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of this subtitle, the Corporation shall, to the maximum extent practicable, provide reinsurance to insurers approved by the Corporation that insure producers of any agricultural commodity under 1 or more plans acceptable to the Corporation.

(2) TERMS AND CONDITIONS.—The reinsurance shall be provided on such terms and conditions as the Board may determine to be consistent with subsections (b) and (c) and sound reinsurance principles.

(3) SHARE OF RISK.—The reinsurance agreements of the Corporation with the reinsured companies shall require the reinsured companies to bear a sufficient share of any potential loss under the agreement so as to ensure that the reinsured company will sell and service policies of insurance in a sound and prudent manner, taking into consideration the financial condition of the reinsured companies and the availability of private reinsurance.

(4) RATE.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the rate established by the Board to reimburse approved insurance providers and agents for the administrative and operating costs of the providers and agents shall not exceed—

(i) for the 1998 reinsurance year, 27 percent of the premium used to define loss ratio; and

(ii) for each of the 1999 and subsequent reinsurance years, 24.5 percent of the premium used to define loss ratio.

(B) PROPORTIONAL REDUCTIONS.—A policy of additional coverage that received a rate of reimbursement for administrative and operating costs for the 1998 reinsurance year that is lower than the rate specified in subparagraph (A)(i) shall receive a reduction in the rate of reimbursement that is proportional to the reduction in the rate of reimbursement between clauses (i) and (ii) of subparagraph (A).

(C) OTHER REDUCTIONS.—Beginning with the 2002 reinsurance year, in the case of a policy or plan of insurance approved by the Board that was not reinsured during the 1998 reinsurance year but, had it been reinsured, would have received a reduced rate of reimbursement during the 1998 reinsurance year, the rate of reimbursement for administrative and operating costs established for the policy or plan of insurance shall take into account the factors used to determine the rate of reimbursement for administrative and operating costs during the 1998 reinsurance year, including the expected difference in premium and actual administrative and operating costs of the policy or plan of insurance relative to an individual yield policy or plan of insurance and other appropriate factors, as determined by the Corporation.

(D) TIME FOR REIMBURSEMENT.—Effective beginning with the 2012 reinsurance year, the Corporation shall re-

imburse approved insurance providers and agents for the allowable administrative and operating costs of the providers and agents as soon as practicable after October 1 (but not later than October 31) after the reinsurance year for which reimbursements are earned.

(E) REIMBURSEMENT RATE REDUCTION.—In the case of a policy of additional coverage that received a rate of reimbursement for administrative and operating costs for the 2008 reinsurance year, for each of the 2009 and subsequent reinsurance years, the reimbursement rate for administrative and operating costs shall be 2.3 percentage points below the rates in effect as of the date of enactment of the Food, Conservation, and Energy Act of 2008 for all crop insurance policies used to define loss ratio, except that only $\frac{1}{2}$ of the reduction shall apply in a reinsurance year to the total premium written in a State in which the State loss ratio is greater than 1.2.

(F) REIMBURSEMENT RATE FOR AREA POLICIES AND PLANS OF INSURANCE.—Notwithstanding subparagraphs (A) through (E), for each of the 2009 and subsequent reinsurance years, the reimbursement rate for area policies and plans of insurance widely available as of the date of enactment of this subparagraph or authorized under subsection (c)(4)(C) or section 508B shall be 12 percent of the premium used to define loss ratio for that reinsurance year.

(5) COST AND REGULATORY REDUCTION.—Consistent with section 118 of the Federal Crop Insurance Reform Act of 1994, and consistent with maintenance of program integrity, prevention of fraud and abuse, the need for program expansion, and improvement of quality of service to customers, the Board shall alter program procedures and administrative requirements in order to reduce the administrative and operating costs of approved insurance providers and agents in an amount that corresponds to any reduction in the reimbursement rate required under paragraph (4) during the 5-year period beginning on the date of enactment of this paragraph.

(6) AGENCY DISCRETION.—The determination of whether the Corporation is achieving, or has achieved, corresponding administrative cost savings shall not be subject to administrative review, and is wholly committed to agency discretion within the meaning of section 701(a)(2) of title 5, United States Code.

(7) PLAN.—The Corporation shall submit to Congress a plan outlining the measures that will be used to achieve the reduction required under paragraph (5). If the Corporation can identify additional cost reduction measures, the Corporation shall describe the measures in the plan.

(8) RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), notwithstanding section 536 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 1506 note; Public Law 105–185) and section 148 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1506 note; Public Law 106–224), the Corporation may renego-

tiate the financial terms and conditions of each Standard Reinsurance Agreement—

(i) to be effective for the 2011 reinsurance year beginning July 1, 2010; and

(ii) once during each period of 5 reinsurance years thereafter.

(B) EXCEPTIONS.—

(i) ADVERSE CIRCUMSTANCES.—Subject to clause (ii), subparagraph (A) shall not apply in any case in which the approved insurance providers, as a whole, experience unexpected adverse circumstances, as determined by the Secretary.

(ii) EFFECT OF FEDERAL LAW CHANGES.—If Federal law is enacted after the date of enactment of this paragraph that requires revisions in the financial terms of the Standard Reinsurance Agreement, and changes in the Agreement are made on a mandatory basis by the Corporation, the changes shall not be considered to be a renegotiation of the Agreement for purposes of subparagraph (A).

(C) NOTIFICATION REQUIREMENT.—If the Corporation renegotiates a Standard Reinsurance Agreement under subparagraph (A)(ii), the Corporation shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the renegotiation.

(D) CONSULTATION.—The approved insurance providers may confer with each other and collectively with the Corporation during any renegotiation under subparagraph (A).

(E) 2011 REINSURANCE YEAR.—

(i) IN GENERAL.—As part of the Standard Reinsurance Agreement renegotiation authorized under subparagraph (A)(i), the Corporation shall consider alternative methods to determine reimbursement rates for administrative and operating costs.

(ii) ALTERNATIVE METHODS.—Alternatives considered under clause (i) shall include—

(I) methods that—

(aa) are graduated and base reimbursement rates in a State on changes in premiums in that State;

(bb) are graduated and base reimbursement rates in a State on the loss ratio for crop insurance for that State; and

(cc) are graduated and base reimbursement rates on individual policies on the level of total premium for each policy; and

(II) any other method that takes into account current financial conditions of the program and ensures continued availability of the program to producers on a nationwide basis.

(F) BUDGET.—

(i) IN GENERAL.—The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii) shall—

(I) to the maximum extent practicable, be estimated as budget neutral with respect to the total amount of payments described in paragraph (9) as compared to the total amount of such payments estimated to be made under the immediately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time;

(II) comply with the applicable provisions of this Act establishing the rates of reimbursement for administrative and operating costs for approved insurance providers and agents, except that, to the maximum extent practicable, the estimated total amount of reimbursement for those costs shall not be less than the total amount of the payments to be made under the immediately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time, as estimated on the date of enactment of the Agricultural Act of 2014; and

(III) in no event significantly depart from budget neutrality unless otherwise required by this Act.

(ii) USE OF SAVINGS.—To the extent that any budget savings are realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality under clause (i), the savings shall be used to increase reimbursements or payments described under paragraphs (4) and (9).

(9) DUE DATE FOR PAYMENT OF UNDERWRITING GAINS.—Effective beginning with the 2011 reinsurance year, the Corporation shall make payments for underwriting gains under this subtitle on—

(A) for the 2011 reinsurance year, October 1, 2012; and

(B) for each reinsurance year thereafter, October 1 of the following calendar year.

(1) OPTIONAL COVERAGES.—The Corporation may offer specific risk protection programs, including protection against prevented planting, wildlife depredation, tree damage and disease, and insect infestation, under such terms and conditions as the Board may determine, except that no program may be undertaken if insurance for the specific risk involved is generally available from private companies.

(m) QUALITY LOSS ADJUSTMENT COVERAGE.—

(1) EFFECT OF COVERAGE.—If a policy or plan of insurance offered under this subtitle includes quality loss adjustment coverage, the coverage shall provide for a reduction in the quantity of production of the agricultural commodity considered produced during a crop year, or a similar adjustment, as a result of the agricultural commodity not meeting the quality standards established in the policy or plan of insurance.

(2) ADDITIONAL QUALITY LOSS ADJUSTMENT.—

(A) PRODUCER OPTION.—Notwithstanding any other provision of law, in addition to the quality loss adjustment

coverage available under paragraph (1), the Corporation shall offer producers the option of purchasing quality loss adjustment coverage on a basis that is smaller than a unit with respect to an agricultural commodity that satisfies each of the following:

(i) The agricultural commodity is sold on an identity-preserved basis.

(ii) All quality determinations are made solely by the Federal agency designated to grade or classify the agricultural commodity.

(iii) All quality determinations are made in accordance with standards published by the Federal agency in the Federal Register.

(iv) The discount schedules that reflect the reduction in quality of the agricultural commodity are established by the Secretary.

(B) BASIS FOR ADJUSTMENT.—Under this paragraph, the Corporation shall set the quality standards below which quality losses will be paid based on the variability of the grade of the agricultural commodity from the base quality for the agricultural commodity.

(3) REVIEW OF CRITERIA AND PROCEDURES.—

(A) REVIEW.—The Corporation shall contract with a qualified person to review the quality loss adjustment procedures of the Corporation so that the procedures more accurately reflect local quality discounts that are applied to agricultural commodities insured under this subtitle.

(B) PROCEDURES.—Effective beginning not later than the 2004 reinsurance year, based on the review, the Corporation shall make adjustments in the procedures, taking into consideration the actuarial soundness of the adjustment and the prevention of fraud, waste, and abuse.

(4) QUALITY OF AGRICULTURAL COMMODITIES DELIVERED TO WAREHOUSE OPERATORS.—In administering this subtitle, the Secretary shall accept, in the same manner and under the same terms and conditions, evidence of the quality of agricultural commodities delivered to—

(A) warehouse operators that are licensed under the United States Warehouse Act (7 U.S.C. 241 et seq.);

(B) warehouse operators that—

(i) are licensed under State law; and

(ii) have entered into a storage agreement with the Commodity Credit Corporation; and

(C) warehouse operators that—

(i) are not licensed under State law but are in compliance with State law regarding warehouses; and

(ii) have entered into a commodity storage agreement with the Commodity Credit Corporation.

(5) SPECIAL PROVISIONS FOR MALTING BARLEY.—The Corporation shall promulgate special provisions under this subsection specific to malting barley, taking into consideration any changes in quality factors, as required by applicable market conditions.

(6) TEST WEIGHT FOR CORN.—

(A) IN GENERAL.—The Corporation shall establish procedures to allow insured producers not more than 120 days to settle claims, in accordance with procedures established by the Secretary, involving corn that is determined to have low test weight.

(B) IMPLEMENTATION.—As soon as practicable after the date of enactment of this paragraph, the Corporation shall implement subparagraph (A) on a regional basis based on market conditions and the interests of producers.

(C) TERMINATION OF EFFECTIVENESS.—The authority provided by this paragraph terminates effective on the date that is 5 years after the date on which subparagraph (A) is implemented.

(n) LIMITATION ON MULTIPLE BENEFITS FOR SAME LOSS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if a producer who is eligible to receive benefits under catastrophic risk protection under subsection (b) is also eligible to receive assistance for the same loss under any other program administered by the Secretary, the producer shall be required to elect whether to receive benefits under this subtitle or under the other program, but not both. A producer who purchases additional coverage under subsection (c) may also receive assistance for the same loss under other programs administered by the Secretary, except that the amount received for the loss under the additional coverage together with the amount received under the other programs may not exceed the amount of the actual loss of the producer.

(2) EXCEPTION.—Paragraph (1) shall not apply to emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) or to coverage described in section 508D.

(o) CROP PRODUCTION ON NATIVE SOD.—

(1) DEFINITION OF NATIVE SOD.—In this subsection, the term “native sod” means land—

(A) on which the plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing; and

(B) that has never been tilled, or the producer cannot substantiate that the ground has ever been tilled, for the production of an annual crop as of the date of enactment of this subsection.

(2) REDUCTION IN BENEFITS.—

(A) IN GENERAL.—During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this subtitle as described in this paragraph.

(B) DE MINIMIS ACREAGE EXEMPTION.—The Secretary shall exempt areas of 5 acres or less from subparagraph (A).

(C) ADMINISTRATION.—

(i) REDUCTION.—For purposes of the reduction in benefits for the acreage described in subparagraph (A)—

(I) the crop insurance guarantee shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

(II) the crop insurance premium subsidy provided for the producer under this subtitle, except for coverage authorized pursuant to subsection (b)(1), shall be 50 percentage points less than the premium subsidy that would otherwise apply.

(ii) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod.

(3) APPLICATION.—This subsection shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.

(p) COVERAGE LEVELS BY PRACTICE.—Beginning with the 2015 crop year, a producer that produces an agricultural commodity on both dry land and irrigated land may elect a different coverage level for each production practice.

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SEC. 508D. COVERAGE FOR FORAGE AND GRAZING.

Notwithstanding section 508A, and in addition to any other available coverage, for crops that can be both grazed and mechanically harvested on the same acres during the same growing season, producers shall be allowed to purchase, and be independently indemnified on, separate policies for each intended use, as determined by the Corporation.

* * * * *

SEC. 516. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) DISCRETIONARY EXPENSES.—There are authorized to be appropriated for fiscal year 1999 and each subsequent fiscal year such sums as are necessary to cover the salaries and expenses of the Corporation.

(2) MANDATORY EXPENSES.—There are authorized to be appropriated such sums as are necessary to cover for each of the 1999 and subsequent reinsurance years the following:

(A) The administrative and operating expenses of the Corporation for the sales commissions of agents.

(B) Premium subsidies, including the administrative and operating expenses of an approved insurance provider for the delivery of policies with additional coverage.

(C) Costs associated with the conduct of livestock and wild salmon pilot programs carried out under section 523, subject to the limitations in subsection (a)(3)(E)(ii) of that section.

(D) Costs associated with the reimbursement, contracting, and partnerships for research and development under section 522.

(b) PAYMENT OF CORPORATION EXPENSES FROM INSURANCE FUND.—

(1) EXPENSES GENERALLY.—For each of the 1999 and subsequent reinsurance years, the Corporation may pay from the insurance fund established under subsection (c) all expenses of the Corporation (other than expenses covered by subsection (a)(1) and expenses covered by paragraph (2)(A)), including the following:

(A) Premium subsidies and indemnities.

(B) Administrative and operating expenses of the Corporation necessary to pay the sales commissions of agents.

(C) All administrative and operating expense reimbursements due under a reinsurance agreement with an approved insurance provider.

(D) Costs associated with the conduct of livestock and wild salmon pilot programs carried out under section 523, subject to the limitations in subsection (a)(3)(E)(ii) of that section.

(E) Costs associated with the reimbursement, contracting, and partnerships for research and development under section 522.

(2) POLICY CONSIDERATION AND IMPLEMENTATION.—

(A) IN GENERAL.—For each of the 1999 and subsequent reinsurance years, the Corporation may use the insurance fund established under subsection (c), but not to exceed \$3,500,000 for each fiscal year, to pay the following:

(i) Costs associated with the consideration and implementation of policies, plans of insurance, and related materials submitted under section 508(h) or developed under section 522 or 523.

(ii) Costs to contract for the review of policies, plans of insurance, and related materials under section 505(e) and to contract for other assistance in considering policies, plans of insurance, and related materials.

(B) DAIRY OPTIONS PILOT PROGRAM.—Amounts necessary to carry out the dairy options pilot program shall not be counted toward the limitation on expenses specified in subparagraph (A).

(C) REVIEWS, COMPLIANCE, AND INTEGRITY.—

(i) IN GENERAL.—For each of the 2014 and subsequent reinsurance years, the Corporation may use the insurance fund established under subsection (c), but not to exceed ~~[\$9,000,000]~~ \$7,000,000 for each fiscal year, to pay costs—

(I) to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information); and

(II) to assist the Corporation in maintaining program actuarial soundness and financial integrity.

(ii) SECRETARIAL ACTION.—For the purposes described in clause (i), the Secretary may, without further appropriation—

(I) merge some or all of the funds made available under this subparagraph into the accounts of the Risk Management Agency; and

(II) obligate those funds.

(iii) MAINTENANCE OF FUNDING.—Funds made available under this subparagraph shall be in addition to other funds made available for costs incurred by the Corporation or the Risk Management Agency.

(c) INSURANCE FUND.—

(1) IN GENERAL.—There is established an insurance fund, for the deposit of premium income, amounts made available under subsection (a)(2), and civil fines collected under section 515(h), to be available without fiscal year limitation.

(2) COMMODITY CREDIT CORPORATION FUNDS.—If at any time the amounts in the insurance fund are insufficient to enable the Corporation to carry out subsection (b), to the extent the funds of the Commodity Credit Corporation are available—

(A) the Corporation may request the Secretary to use the funds of the Commodity Credit Corporation to carry out subsection (b); and

(B) the Secretary may use the funds of the Commodity Credit Corporation to carry out subsection (b).

* * * * *

SEC. 522. RESEARCH AND DEVELOPMENT.

(a) DEFINITION OF POLICY.—In this section, the term “policy” means a policy, plan of insurance, provision of a policy or plan of insurance, and related materials.

(b) REIMBURSEMENT OF RESEARCH, DEVELOPMENT, AND MAINTENANCE COSTS.—

(1) RESEARCH AND DEVELOPMENT PAYMENT.—

(A) IN GENERAL.—The Corporation shall provide a payment to an applicant for research and development costs in accordance with this subsection.

[(B) REIMBURSEMENT.—An applicant who submits a policy under section 508(h) shall be eligible for the reimbursement of reasonable research and development costs directly related to the policy if the policy is approved by the Board for sale to producers.]

(B) REIMBURSEMENT.—

(i) IN GENERAL.—*An applicant who submits a policy under section 508(h) shall be eligible for the reimbursement of reasonable and actual research and development costs directly related to the policy if the policy is approved by the Board for sale to producers.*

(ii) REASONABLE COSTS.—*For the purpose of reimbursing research and development and maintenance costs under this section, costs of the applicant shall be considered reasonable and actual costs if the costs are based on—*

(I) wage rates equal to 2 times the hourly wage rate plus benefits, as provided by the Bureau of Labor Statistics for the year in which such costs are incurred, calculated using the formula applied to an applicant by the Corporation in reviewing

proposed project budgets under this section on October 1, 2016; or

(II) actual documented costs incurred by the applicant.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Board may approve the request of an applicant for advance payment of a portion of reasonable research and development costs prior to submission and approval of the policy by the Board under section 508(h).

(B) PROCEDURES.—The Board shall establish procedures for approving advance payment of reasonable research and development costs to applicants.

(C) CONCEPT PROPOSAL.—As a condition of eligibility for advance payments, an applicant shall submit a concept proposal for the policy that the applicant plans to submit to the Board under section 508(h), consistent with procedures established by the Board for submissions under subparagraph (B), including—

(i) a summary of the qualifications of the applicant, including any prior concept proposals and submissions to the Board under section 508(h) and, if applicable, any work conducted under this section;

(ii) a projection of total research and development costs that the applicant expects to incur;

(iii) a description of the need for the policy, the marketability of and expected demand for the policy among affected producers, and the potential impact of the policy on producers and the crop insurance delivery system;

(iv) a summary of data sources available to demonstrate that the policy can reasonably be developed and actuarially appropriate rates established; and

(v) an identification of the risks the proposed policy will cover and an explanation of how the identified risks are insurable under this subtitle.

(D) REVIEW.—

(i) EXPERTS.—If the requirements of subparagraph (B) and (C) are met, the Board may submit a concept proposal described in subparagraph (C) to not less than 2 independent expert reviewers, whose services are appropriate for the type of concept proposal submitted, to assess the likelihood that the proposed policy being developed will result in a viable and marketable policy, as determined by the Board.

(ii) TIMING.—The time frames described in subparagraphs (C) and (D) of section 508(h)(4) shall apply to the review of concept proposals under this subparagraph.

(E) APPROVAL.—

(i) IN GENERAL.—The Board may approve up to 50 percent of the projected total research and development costs to be paid in advance to an applicant, in accordance with the procedures developed by the Board for the making of the payments, if, after consid-

eration of the reviewer reports described in subparagraph (D) and such other information as the Board determines appropriate, the Board determines that—

(I) the concept, in good faith, will likely result in a viable and marketable policy consistent with section 508(h);

(II) at the sole discretion of the Board, the concept, if developed into a policy and approved by the Board, would provide crop insurance coverage—

(aa) in a significantly improved form;

(bb) to a crop or region not traditionally served by the Federal crop insurance program; or

(cc) in a form that addresses a recognized flaw or problem in the program;

(III) the applicant agrees to provide such reports as the Corporation determines are necessary to monitor the development effort;

(IV) the proposed budget and timetable are reasonable, as determined by the Board; and

(V) the concept proposal meets any other requirements that the Board determines appropriate.

(ii) WAIVER.—The Board may waive the 50-percent limitation and, upon request of the submitter after the submitter has begun research and development activities, the Board may approve an additional 25 percent advance payment to the submitter for research and development costs, if, at the sole discretion of the Board, the Board determines that—

(I) the intended policy or plan of insurance developed by the submitter will provide coverage for a region or crop that is underserved by the Federal crop insurance program, including specialty crops; and

(II) the submitter is making satisfactory progress towards developing a viable and marketable policy or plan of insurance consistent with section 508(h).

(F) SUBMISSION OF POLICY.—If the Board approves an advanced payment under subparagraph (E), the Board shall establish a date by which the applicant shall present a submission in compliance with section 508(h) (including the procedures implemented under that section) to the Board for approval.

(G) FINAL PAYMENT.—

(i) APPROVED POLICIES.—If a policy is submitted under subparagraph (F) and approved by the Board under section 508(h) and the procedures established by the Board (including procedures established under subparagraph (B)), the applicant shall be eligible for a payment of reasonable research and development costs in the same manner as policies reimbursed under

paragraph (1)(B), less any payments made pursuant to subparagraph (E).

(ii) POLICIES NOT APPROVED.—If a policy is submitted under subparagraph (F) and is not approved by the Board under section 508(h), the Corporation shall—

(I) not seek a refund of any payments made in accordance with this paragraph; and

(II) not make any further research and development cost payments associated with the submission of the policy under this paragraph.

(H) POLICY NOT SUBMITTED.—If an applicant receives an advance payment and fails to fulfill the obligation of the applicant to the Board by not submitting a completed submission without just cause and in accordance with the procedures established under subparagraph (B)), including notice and reasonable opportunity to respond, as determined by the Board, the applicant shall return to the Board the amount of the advance plus interest.

(I) REPEATED SUBMISSIONS.—The Board may prohibit advance payments to applicants who have submitted—

(i) a concept proposal or submission that did not result in a marketable product; or

(ii) a concept proposal or submission of poor quality.

(J) CONTINUED ELIGIBILITY.—A determination that an applicant is not eligible for advance payments under this paragraph shall not prevent an applicant from reimbursement under paragraph (1)(B).

(3) MARKETABILITY.—The Corporation shall approve a reimbursement under paragraph (1) only after determining that the policy is marketable based on a reasonable marketing plan, as determined by the Board.

(4) MAINTENANCE PAYMENTS.—

(A) REQUIREMENT.—The Corporation shall reimburse maintenance costs associated with the annual cost of underwriting for a policy described in paragraph (1).

(B) DURATION.—Payments with respect to maintenance costs may be provided for a period of not more than four reinsurance years subsequent to Board approval for payment under this subsection.

(C) OPTIONS FOR MAINTENANCE.—On the expiration of the 4-year period described in subparagraph (B), the [approved insurance provider] *applicant* responsible for maintenance of the policy may—

(i) maintain the policy and charge a fee to approved insurance providers that elect to sell the policy under this subsection; or

(ii) transfer responsibility for maintenance of the policy to the Corporation.

(D) FEE.—

(i) AMOUNT.—Subject to approval by the Board, the amount of the fee that is payable by an approved insurance provider that elects to sell the policy shall be an amount that is [determined by the approved insur-

ance provider] *determined by the applicant* maintaining the policy.

[(ii) APPROVAL.—The Board shall approve the amount of a fee determined under clause (i) for maintenance of the policy unless the Board determines that the amount of the fee—

[(I) is unreasonable in relation to the maintenance costs associated with the policy; or

[(II) unnecessarily inhibits the use of the policy.]

(ii) APPROVAL.—*Subject to clause (iii), the Board shall approve the amount of a fee determined under clause (i) unless the Board determines, based on substantial evidence in the record, that the amount of the fee unnecessarily inhibits the use of the policy.*

(iii) CONSIDERATION.—*The Board shall not disapprove a fee on the basis of—*

(I) *a comparison to maintenance fees paid with respect to the policy; or*

(II) *the potential for the fee to result in a financial gain or loss to the applicant based on the number of policies sold.*

(5) TREATMENT OF PAYMENT.—Payments made under this subsection for a policy shall be considered as payment in full by the Corporation for the research and development conducted with regard to the policy and any property rights to the policy.

(6) REIMBURSEMENT AMOUNT.—The Corporation shall determine the amount of the payment under this subsection for an approved policy based on the complexity of the policy and the size of the area in which the policy or material is expected to be sold.

(c) RESEARCH AND DEVELOPMENT AUTHORITY.—

(1) AUTHORITY.—The Corporation may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to—

(A) increase participation in States in which the Corporation determines that—

(i) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

(ii) the State is underserved by the Federal crop insurance program;

(B) increase participation in areas that are underserved by the Federal crop insurance program; and

(C) increase participation by producers of underserved agricultural commodities, including specialty crops.

(2) UNDERSERVED AGRICULTURAL COMMODITIES AND AREAS.—

(A) AUTHORITY.—The Corporation may conduct research and development or enter into contracts under procedures prescribed by the Corporation with qualified persons to carry out research and development for policies that promote the purposes of paragraph (1).

(B) CONSULTATION.—Before conducting research and development or entering into a contract under subparagraph

(A), the Corporation shall consult with groups representing producers of agricultural commodities that would be served by the policies that are the subject of the research and development.

(3) **QUALIFIED PERSONS.**—A person with experience in crop insurance or farm or ranch risk management (including a college or university, an approved insurance provider, and a trade or research organization), as determined by the Corporation, shall be eligible to enter into a contract with the Corporation under this subsection.

(4) **TYPES OF CONTRACTS.**—A contract under this subsection may provide for research and development regarding new or expanded policies, including policies based on adjusted gross income, cost-of-production, quality losses, and an intermediate base program with a higher coverage and cost than catastrophic risk protection.

(5) **USE OF RESULTING POLICIES.**—The Corporation may offer any policy developed under this subsection that is approved by the Board after expert review in accordance with section 505(e).

(6) **RESEARCH AND DEVELOPMENT PRIORITIES.**—The Corporation shall establish as one of the highest research and development priorities of the Corporation the development of policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops, and specialty crops.

[(7) **STUDY OF MULTIYEAR COVERAGE.**—

[(A) **IN GENERAL.**—The Corporation shall contract with a qualified person to conduct a study to determine whether offering policies that provide coverage for multiple years would reduce fraud, waste, and abuse by persons that participate in the Federal crop insurance program.

[(B) **REPORT.**—Not later than 1 year after the date of the enactment of this section, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

[(8) **CONTRACT FOR REVENUE COVERAGE PLANS.**—The Corporation shall enter into a contract for research and development regarding one or more revenue coverage plans that are designed to enable producers to take maximum advantage of fluctuations in market prices and thereby maximize revenue realized from the sale of an agricultural commodity. A revenue coverage plan may include the use of existing market instruments or the development of new market instruments. Not later than 15 months after the date of the enactment of this section, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the contract entered into under this paragraph.

[(9) **CONTRACT FOR COST OF PRODUCTION POLICY.**—

- [(A) AUTHORITY.—The Corporation shall enter into a contract for research and development regarding a cost of production policy.
- [(B) RESEARCH AND DEVELOPMENT.—The research and development shall—
- [(i) take into consideration the differences in the cost of production on a county-by-county basis; and
 - [(ii) cover as many commodities as is practicable.
- [(10) ENERGY CROP INSURANCE POLICY.—
- [(A) DEFINITION OF DEDICATED ENERGY CROP.—In this subsection, the term “dedicated energy crop” means an annual or perennial crop that—
- [(i) is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and
 - [(ii) is not typically used for food, feed, or fiber.
- [(B) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure dedicated energy crops.
- [(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of risk management tools for the production of dedicated energy crops, including policies and plans of insurance that—
- [(i) are based on market prices and yields;
 - [(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather or rainfall indices to protect the interests of crop producers; and
 - [(iii) provide protection for production or revenue losses, or both.
- [(11) AQUACULTURE INSURANCE POLICY.—
- [(A) DEFINITION OF AQUACULTURE.—In this subsection:
- [(i) IN GENERAL.—The term “aquaculture” means the propagation and rearing of aquatic species in controlled or selected environments, including shellfish cultivation on grants or leased bottom and ocean ranching.
 - [(ii) EXCLUSION.—The term “aquaculture” does not include the private ocean ranching of Pacific salmon for profit in any State in which private ocean ranching of Pacific salmon is prohibited by any law (including regulations).
- [(B) AUTHORITY.—
- [(i) IN GENERAL.—As soon as practicable after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Corporation shall offer to enter into 3 or more contracts with qualified entities to carry out research and development regarding a policy to insure the production of aquacultural species in aquaculture operations.

[(ii) BIVALVE SPECIES.—At least 1 of the contracts described in clause (i) shall address insurance of bivalve species, including—

- [(I) American oysters (*crassostrea virginica*);
- [(II) hard clams (*mercenaria mercenaria*);
- [(III) Pacific oysters (*crassostrea gigas*);
- [(IV) Manila clams (*tapes philippinarum*); or
- [(V) blue mussels (*mytilus edulis*).

[(iii) FRESHWATER SPECIES.—At least 1 of the contracts described in clause (i) shall address insurance of freshwater species, including—

- [(I) catfish (*icataluridae*);
- [(II) rainbow trout (*oncorhynchus mykiss*);
- [(III) largemouth bass (*micropterus salmoides*);
- [(IV) striped bass (*morone saxatilis*);
- [(V) bream (*abramis brama*);
- [(VI) shrimp (*penaeus*); or
- [(VII) tilapia (*oreochromis niloticus*).

[(iv) SALTWATER SPECIES.—At least 1 of the contracts described in clause (i) shall address insurance of saltwater species, including—

- [(I) Atlantic salmon (*salmo salar*); or
- [(II) shrimp (*penaeus*).

[(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of policies and plans of insurance for the production of aquacultural species in aquaculture operations, including policies and plans of insurance that—

- [(i) are based on market prices and yields;
- [(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate how best to incorporate insuring of production of aquacultural species in aquaculture operations into existing policies covering adjusted gross revenue; and
- [(iii) provide protection for production or revenue losses, or both.

[(12) POULTRY INSURANCE POLICY.—

[(A) DEFINITION OF POULTRY.—In this paragraph, the term “poultry” has the meaning given the term in section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

[(B) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure commercial poultry production.

[(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of risk management tools for the production of poultry, including policies and plans of insurance that provide protection for production or revenue losses, or both, while the poultry is in production.

[(13) APIARY POLICIES.—The Corporation shall offer to enter into a contract with a qualified entity to carry out research and

development regarding insurance policies that cover loss of bees.

[(14) ADJUSTED GROSS REVENUE POLICIES FOR BEGINNING PRODUCERS.—The Corporation shall offer to enter into a contract with a qualified entity to carry out research and development into needed modifications of adjusted gross revenue insurance policies, consistent with principles of actuarial sufficiency, to permit coverage for beginning producers with no previous production history, including permitting those producers to have production and premium rates based on information with similar farming operations.

[(15) SKIPROW CROPPING PRACTICES.—

[(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to carry out research into needed modifications of policies to insure corn and sorghum produced in the Central Great Plains (as determined by the Agricultural Research Service) through use of skiprow cropping practices.

[(B) RESEARCH.—Research described in subparagraph (A) shall—

[(i) review existing research on skiprow cropping practices and actual production history of producers using skiprow cropping practices; and

[(ii) evaluate the effectiveness of risk management tools for producers using skiprow cropping practices, including—

[(I) the appropriateness of rules in existence as of the date of enactment of this paragraph relating to the determination of acreage planted in skiprow patterns; and

[(II) whether policies for crops produced through skiprow cropping practices reflect actual production capabilities.

[(16) MARGIN COVERAGE FOR CATFISH.—

[(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.

[(B) ELIGIBILITY.—Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.

[(C) IMPLEMENTATION.—The Board shall review the policy described in subparagraph (B) under section 508(h) and approve the policy if the Board finds that the policy—

[(i) will likely result in a viable and marketable policy consistent with this subsection;

[(ii) would provide crop insurance coverage in a significantly improved form;

[(iii) adequately protects the interests of producers; and

[(iv) meets other requirements of this subtitle determined appropriate by the Board.

[(17) BIOMASS AND SWEET SORGHUM ENERGY CROP INSURANCE POLICIES.—

[(A) IN GENERAL.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding—

[(i) a policy to insure biomass sorghum that is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and

[(ii) a policy to insure sweet sorghum that is grown for a purpose described in clause (i).

[(B) RESEARCH AND DEVELOPMENT.—Research and development with respect to each of the policies required in subparagraph (A) shall evaluate the effectiveness of risk management tools for the production of biomass sorghum or sweet sorghum, including policies and plans of insurance that—

[(i) are based on market prices and yields;

[(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather indices, including excessive or inadequate rainfall, to protect the interest of crop producers; and

[(iii) provide protection for production or revenue losses, or both.

[(18) STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.—

[(A) IN GENERAL.—The Corporation shall contract with 1 or more qualified entities to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

[(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).]

[(19)] (7) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.—

(A) IN GENERAL.—Unless the Corporation approves a whole farm insurance plan, similar to the plan described in this paragraph, to be available to producers for the 2016 reinsurance year, the Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of \$1,500,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

(B) ELIGIBLE PRODUCERS.—The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural

commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan developed under subparagraph (A) in lieu of any other plan under this subtitle.

(C) DIVERSIFICATION.—The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that—

(i) grow multiple crops; or

(ii) may have income from the production of livestock that uses a crop grown on the farm.

(D) MARKET READINESS.—The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

(E) *BEGINNING FARMER OR RANCHER DEFINED.*—*Notwithstanding section 502(b)(3), with respect to plans described under this paragraph, the term “beginning farmer or rancher” means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years.*

[(20) STUDY ON POULTRY CATASTROPHIC DISEASE PROGRAM.—

[(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring poultry producers for a catastrophic event.

[(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

[(21) POULTRY BUSINESS INTERRUPTION INSURANCE POLICY.—

[(A) DEFINITIONS.—In this paragraph, the terms “poultry” and “poultry grower” have the meanings given those terms in section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

[(B) AUTHORITY.—The Corporation shall offer to enter into a contract or cooperative agreement with an institution of higher education or other legal entity to carry out research and development regarding a policy to insure the commercial production of poultry against business interruptions caused by integrator bankruptcy.

[(C) RESEARCH AND DEVELOPMENT.—As part of the research and development conducted pursuant to a contract or cooperative agreement entered into under subparagraph (B), the entity shall—

[(i) evaluate the market place for business interruption insurance that is available to poultry growers;

[(ii) determine what statutory authority would be necessary to implement a business interruption insurance through the Corporation;

[(iii) assess the feasibility of a policy or plan of insurance offered under this subtitle to insure against a portion of losses due to business interruption or to the bankruptcy of an business integrator; and

[(iv) analyze the costs to the Federal Government of a Federal business interruption insurance program for poultry growers or producers.

[(D) DEADLINE FOR CONTRACT OR COOPERATIVE AGREEMENT.—Not later than 180 days after the date of enactment of this paragraph, the Corporation shall offer to enter into the contract or cooperative agreement required by subparagraph (B).

[(E) DEADLINE FOR COMPLETION OF RESEARCH AND DEVELOPMENT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the research and development conducted pursuant to the contract or cooperative agreement entered into under subparagraph (B).]

[(22) STUDY OF FOOD SAFETY INSURANCE.—

[(A) IN GENERAL.—The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers.

[(B) SUBJECT.—The study described in subparagraph (A) shall evaluate policies and plans of insurance coverage that provide protection for production or revenue impacted by food safety concerns including, at a minimum, government, retail, or national consumer group announcements of a health advisory, removal, or recall related to a contamination concern.

[(C) REPORT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

[(23) ALFALFA CROP INSURANCE POLICY.—

[(A) IN GENERAL.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure alfalfa.

[(B) REPORT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).]

[(24)] (8) RELATION TO LIMITATIONS.—A policy developed under this subsection may be prepared without regard to the limitations of this subtitle, including—

(A) the requirement concerning the levels of coverage and rates; and

(B) the requirement that the price level for each insured agricultural commodity must equal the expected market price for the agricultural commodity, as established by the Board.

(9) TROPICAL STORM OR HURRICANE INSURANCE.—

(A) IN GENERAL.—*The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure crops, including tomatoes, peppers, and citrus, against losses due to a tropical storm or hurricane.*

(B) RESEARCH AND DEVELOPMENT.—*Research and development with respect to the policy required under subparagraph (A) shall—*

(i) evaluate the effectiveness of a risk management tool for a low frequency, catastrophic loss weather event; and

(ii) provide protection for production or revenue losses, or both.

(10) SUBSURFACE IRRIGATION PRACTICES.—*The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding the creation of a separate practice for subsurface irrigation, including the establishment of a separate transitional yield within the county that is reflective of the average gain in productivity and yield associated with the installation of a subsurface irrigation system.*

(11) STUDY AND REPORT ON GRAIN SORGHUM RATES AND YIELDS.—

(A) STUDY.—*The Corporation shall contract with a qualified entity to conduct a study to assess the difference in rates, average yields, and coverage levels of grain sorghum policies as compared to other feed grains within a county.*

(B) REPORT.—*Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).*

(12) QUALITY LOSSES.—

(A) IN GENERAL.—*The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding the establishment of an alternative method of adjusting for quality losses that does not impact the average production history of producers.*

(B) REQUIREMENTS.—*Notwithstanding subsections (g) and (m) of section 508, if the Corporation uses any method developed as a result of the contract described in subparagraph (A) to adjust for quality losses, such method shall be—*

(i) optional for producers to elect to use; and

(ii) offered at an actuarially sound premium rate.

[(d) PARTNERSHIPS FOR RISK MANAGEMENT DEVELOPMENT AND IMPLEMENTATION.—

[(1) PURPOSE.—The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of either—

[(A) increasing the availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333), specialty crops, and underserved agricultural commodities; or

[(B) improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.

[(2) AUTHORITY.—The Corporation may enter into partnerships with the National Institute of Food and Agriculture, the Agricultural Research Service, the National Oceanic Atmospheric Administration, and other appropriate public and private entities with demonstrated capabilities in developing and implementing risk management and marketing options for producers of specialty crops and underserved agricultural commodities.

[(3) OBJECTIVES.—The Corporation may enter into a partnership under paragraph (2)—

[(A) to enhance the notice and timeliness of notice of weather conditions that could negatively affect crop yields, quality, and final product use in order to allow producers to take preventive actions to increase end product profitability and marketability and to reduce the possibility of crop insurance claims;

[(B) to develop a multifaceted approach to pest management and fertilization to decrease inputs, decrease environmental exposure, and increase application efficiency;

[(C) to develop or improve techniques for planning, breeding, planting, growing, maintaining, harvesting, storing, shipping, and marketing that will address quality and quantity challenges associated with year-to-year and regional variations;

[(D) to clarify labor requirements and assist producers in complying with requirements to better meet the physically intense and time-compressed planting, tending, and harvesting requirements associated with the production of specialty crops and underserved agricultural commodities;

[(E) to provide assistance to State foresters or equivalent officials for the prescribed use of burning on private forest land for the prevention, control, and suppression of fire;

[(F) to provide producers with training and informational opportunities so that the producers will be better able to use financial management, farm financial benchmarking, crop insurance, marketing contracts, and other existing and emerging risk management tools;

[(G) to improve analysis tools and technology regarding compliance or identifying and using innovative compliance strategies; and

[(H) to develop other risk management tools to further increase economic and production stability.]

[(e)] (d) FUNDING.—

(1) REIMBURSEMENTS.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than \$7,500,000 for fiscal year 2008 and each subsequent fiscal year.

(2) CONTRACTING.—

(A) CONDUCTING AND CONTRACTING FOR RESEARCH AND DEVELOPMENT.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to conduct research and development and carry out contracting and partnerships [under subsections (c) and (d)] *under subsection (c)* [not more than \$12,500,000 for fiscal year 2008 and each subsequent fiscal year.] *not more than—*

(i) \$12,500,000 for fiscal year 2008 through 2018; and

(ii) \$8,000,000 for fiscal year 2019 and each fiscal year thereafter.

(B) UNDERSERVED STATES.—Of the amount made available under subparagraph (A) for a fiscal year, the Corporation shall use not more than \$5,000,000 for the fiscal year to conduct research and development and carry out contracting for research and development to carry out the purpose described in subsection (c)(1)(A).

(3) UNUSED FUNDING.—If the Corporation determines that the amount available under this section for a fiscal year is not needed for such purposes, the Corporation may use—

(A) not more than \$5,000,000 for each fiscal year to improve program integrity, including by—

- (i) increasing compliance-related training;
- (ii) improving analysis tools and technology regarding compliance;
- (iii) use of information technology, as determined by the Corporation; and
- (iv) identifying and using innovative compliance strategies; and

(B) any excess amounts to carry out other activities authorized under this section.

* * * * *

[SEC. 524. EDUCATION AND RISK MANAGEMENT ASSISTANCE.

[(a)] EDUCATION ASSISTANCE.—

[(1)] IN GENERAL.—Subject to the amounts made available under paragraph (5)—

[(A)] the Corporation shall carry out the program established under paragraph (2); and

[(B)] the Secretary, acting through the National Institute of Food and Agriculture, shall carry out the program established under paragraph (3).

[(2)] EDUCATION AND INFORMATION.—The Corporation shall establish a program under which crop insurance education and

information is provided to producers in States in which (as determined by the Secretary)—

[(A) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

[(B) producers are underserved by the Federal crop insurance program.

[(3) PARTNERSHIPS FOR RISK MANAGEMENT EDUCATION.—

[(A) AUTHORITY.—The Secretary, acting through the National Institute of Food and Agriculture, shall establish a program under which competitive grants are made to qualified public and private entities (including land grant colleges, cooperative extension services, and colleges or universities), as determined by the Secretary, for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, farm financial benchmarking, and other risk management strategies.

[(B) BASIS FOR GRANTS.—A grant under this paragraph shall be awarded on the basis of merit and shall be subject to peer or merit review.

[(C) OBLIGATION PERIOD.—Funds for a grant under this paragraph shall be available to the Secretary for obligation for a 2-year period.

[(D) ADMINISTRATIVE COSTS.—The Secretary may use not more than 4 percent of the funds made available for grants under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

[(4) REQUIREMENTS.—In carrying out the programs established under paragraphs (2) and (3), the Secretary shall place special emphasis on risk management strategies (including farm financial benchmarking), education, and outreach specifically targeted at—

[(A) beginning farmers or ranchers;

[(B) legal immigrant farmers or ranchers that are attempting to become established producers in the United States;

[(C) socially disadvantaged farmers or ranchers;

[(D) farmers or ranchers that—

[(i) are preparing to retire; and

[(ii) are using transition strategies to help new farmers or ranchers get started; and

[(E) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets.

[(5) FUNDING.—From the insurance fund established under section 516(c), there is transferred—

[(A) for the education and information program established under paragraph (2), \$5,000,000 for fiscal year 2001 and each subsequent fiscal year; and

[(B) for the partnerships for risk management education program established under paragraph (3), \$5,000,000 for fiscal year 2001 and each subsequent fiscal year.

[(b) AGRICULTURAL MANAGEMENT ASSISTANCE.—

[(1) AUTHORITY.—The Secretary shall provide financial assistance to producers in the States of Connecticut, Delaware, Hawaii, Maryland, Massachusetts, Maine, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

[(2) USES.—A producer may use financial assistance provided under this subsection to—

[(A) construct or improve—

[(i) watershed management structures; or

[(ii) irrigation structures;

[(B) plant trees to form windbreaks or to improve water quality;

[(C) mitigate financial risk through production or marketing diversification or resource conservation practices, including—

[(i) soil erosion control;

[(ii) integrated pest management;

[(iii) organic farming; or

[(iv) to develop and implement a plan to create marketing opportunities for the producer, including through value-added processing;

[(D) enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk;

[(E) enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk; or

[(F) conduct any other activity relating to an activity described in subparagraphs (A) through (E), as determined by the Secretary.

[(3) PAYMENT LIMITATION.—The total amount of payments made to a person (as defined in section 1001(5) of the Food Security Act (7 U.S.C. 1308(5))) (before the amendment made by section 1703(a) of the Food, Conservation, and Energy Act of 2008) under this subsection for any year may not exceed \$50,000.

[(4) COMMODITY CREDIT CORPORATION.—

[(A) IN GENERAL.—The Secretary shall carry out this subsection through the Commodity Credit Corporation.

[(B) FUNDING.—

[(i) IN GENERAL.—Except as provided in clause (ii), the Commodity Credit Corporation shall make available to carry out this subsection not less than \$10,000,000 for each fiscal year.

[(ii) EXCEPTION FOR CERTAIN FISCAL YEARS.—For each of fiscal years 2008 through 2014, the Commodity Credit Corporation shall make available to carry out this subsection \$15,000,000.

[(C) CERTAIN USES.—Of the amounts made available to carry out this subsection for a fiscal year, the Commodity Credit Corporation shall use not less than—

[(i) 50 percent to carry out subparagraphs (A), (B), and (C) of paragraph (2) through the Natural Resources Conservation Service;

[(ii) 10 percent to provide organic certification cost share assistance through the Agricultural Marketing Service; and

[(iii) 40 percent to conduct activities to carry out subparagraph (F) of paragraph (2) through the Risk Management Agency.]

SEC. 524. EDUCATION AND RISK MANAGEMENT ASSISTANCE.

(a) *EDUCATION ASSISTANCE.*—Subject to the amounts made available under subsection (d), the Secretary, acting through the National Institute of Food and Agriculture, shall carry out the program established under subsection (b).

(b) *PARTNERSHIPS FOR RISK MANAGEMENT EDUCATION.*—

(1) *AUTHORITY.*—The Secretary, acting through the National Institute of Food and Agriculture, shall establish a program under which competitive grants are made to qualified public and private entities (including land-grant colleges, cooperative extension services, and colleges or universities), as determined by the Secretary, for the purpose of educating agricultural producers about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, farm financial benchmarking, and other risk management strategies.

(2) *BASIS FOR GRANTS.*—A grant under this subsection shall be awarded on the basis of merit and shall be subject to peer or merit review.

(3) *OBLIGATION PERIOD.*—Funds for a grant under this subsection shall be available to the Secretary for obligation for a 2-year period.

(4) *ADMINISTRATIVE COSTS.*—The Secretary may use not more than 4 percent of the funds made available for grants under this subsection for administrative costs incurred by the Secretary in carrying out this subsection.

(c) *REQUIREMENTS.*—In carrying out the program established under subsection (b), the Secretary shall place special emphasis on risk management strategies (including farm financial benchmarking), education, and outreach specifically targeted at—

(1) beginning farmers or ranchers;

(2) legal immigrant farmers or ranchers that are attempting to become established producers in the United States;

(3) socially disadvantaged farmers or ranchers; and

(4) farmers or ranchers that—

(A) are preparing to retire;

(B) are using transition strategies to help new farmers or ranchers get started; and

(C) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets.

(d) *FUNDING.*—From the insurance fund established under section 516(c), there is transferred for the partnerships for risk management education program established under subsection (b) \$5,000,000 for fiscal year 2018 and each subsequent fiscal year.

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ANIMAL HEALTH PROTECTION ACT

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TITLE X—MISCELLANEOUS

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Subtitle E—Animal Health Protection

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SEC. 10409A. NATIONAL ANIMAL HEALTH LABORATORY NETWORK.

(a) **DEFINITION OF ELIGIBLE LABORATORY.**—In this section, the term “eligible laboratory” means a diagnostic laboratory that meets specific criteria developed by the Secretary, in consultation with State animal health officials, State veterinary diagnostic laboratories, and veterinary diagnostic laboratories at institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)).

(b) **IN GENERAL.**—The Secretary, in consultation with State veterinarians, shall offer to enter into contracts, grants, cooperative agreements, or other legal instruments with eligible laboratories for any of the following purposes:

(1) To enhance the capability of the Secretary to respond in a timely manner to emerging or existing bioterrorist threats to animal health.

(2) To provide the capacity and capability for standardized—
 (A) test procedures, reference materials, and equipment;
 (B) laboratory biosafety and biosecurity levels;
 (C) quality management system requirements;
 (D) interconnected electronic reporting and transmission of data; and
 (E) evaluation for emergency preparedness.

(3) To coordinate the development, implementation, and enhancement of national veterinary diagnostic laboratory capabilities, with special emphasis on surveillance planning and vulnerability analysis, technology development and validation, training, and outreach.

(c) **PRIORITY.**—To the extent practicable and to the extent capacity and specialized expertise may be necessary, the Secretary shall give priority to existing Federal facilities, State facilities, and facilities at institutions of higher education.

[(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$15,000,000 for each of fiscal years 2014 through 2018.]

SEC. 10409B. NATIONAL ANIMAL DISEASE PREPAREDNESS AND RESPONSE PROGRAM.

(a) **PROGRAM REQUIRED.**—*The Secretary shall establish a program, to be known as the “National Animal Disease Preparedness and Response Program”, to address the increasing risk of the introduction and spread of animal pests and diseases affecting the economic interests of the livestock and related industries of the United States, including the maintenance and expansion of export markets.*

(b) *ELIGIBLE ENTITIES.*—To carry out the National Animal Disease Preparedness and Response Program, the Secretary shall offer to enter into cooperative agreements, or other legal instruments, with eligible entities, to be selected by the Secretary, which may include any of the following entities, either individually or in combination:

(1) A State department of agriculture.

(2) The office of the chief animal health official of a State.

(3) A land-grant college or university or NLGCA Institution (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

(4) A college of veterinary medicine, including a veterinary emergency team at such college.

(5) A State or national livestock producer organization with direct and significant economic interest in livestock production.

(6) A State emergency agency.

(7) A State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association.

(8) An Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)).

(9) A Federal agency.

(c) *ACTIVITIES.*—

(1) *PROGRAM ACTIVITIES.*—Activities under the National Animal Disease Preparedness and Response Program shall include, to the extent practicable, the following:

(A) Enhancing animal pest and disease analysis and surveillance.

(B) Expanding outreach and education.

(C) Targeting domestic inspection activities at vulnerable points in the safeguarding continuum.

(D) Enhancing and strengthening threat identification and technology.

(E) Improving biosecurity.

(F) Enhancing emergency preparedness and response capabilities, including training additional emergency response personnel.

(G) Conducting technology development and enhancing electronic sharing of animal health data for risk analysis between State and Federal animal health officials.

(H) Enhancing the development and effectiveness of animal health technologies to treat and prevent animal disease, including—

(i) veterinary biologics and diagnostics;

(ii) animal drugs for minor use and minor species;

and

(iii) animal medical devices.

(I) Such other activities as determined appropriate by the Secretary, in consultation with eligible entities specified in subsection (b).

(2) *PRIORITIES.*—In entering into cooperative agreements or other legal instruments under subsection (b), the Secretary shall give priority to applications submitted by—

(A) a State department of agriculture or an office of the chief animal health official of a State; or

(B) an eligible entity that will carry out program activities in a State or region—

(i) in which an animal pest or disease is a Federal concern; or

(ii) which the Secretary determines has potential for the spread of an animal pest or disease after taking into consideration—

(I) the agricultural industries in the State or region;

(II) factors contributing to animal disease or pest in the State or region, such as the climate, natural resources, and geography of, and native and exotic wildlife species and other disease vectors in, the State or region; and

(III) the movement of animals in the State or region.

(3) *CONSULTATION.*—For purposes of setting priorities under this subsection, the Secretary shall consult with eligible entities specified in subsection (b). The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultation carried out under this paragraph.

(d) *APPLICATION.*—

(1) *IN GENERAL.*—An eligible entity specified in subsection (b) seeking to enter into a cooperative agreement, or other legal instrument, under the National Animal Disease Preparedness and Response Program shall submit to the Secretary an application containing such information as the Secretary may require.

(2) *NOTIFICATION.*—The Secretary shall notify each applicant of—

(A) the requirements to be imposed on the recipient of funds under the Program for auditing of, and reporting on, the use of such funds; and

(B) the criteria to be used to ensure activities supported using such funds are based on sound scientific data or thorough risk assessments.

(3) *NON-FEDERAL CONTRIBUTIONS.*—When deciding whether to enter into an agreement or other legal instrument under the Program with an eligible entity describe

(1) *d* in subsection (b), the Secretary—

(A) may take into consideration an eligible entity's ability to contribute non-Federal funds to carry out such a cooperative agreement or other legal instrument under the Program; and

(B) shall not require such an entity to make such a contribution.

(e) *USE OF FUNDS.*—

(1) *USE CONSISTENT WITH TERMS OF COOPERATIVE AGREEMENT.*—The recipient of funds under the National Animal Disease Preparedness and Response Program shall use the funds for the purposes and in the manner provided in the cooperative agreement, or other legal instrument, under which the funds are provided.

(2) *SUB-AGREEMENT.*—Nothing in this section prevents an eligible entity from using funds received under the Program to enter into sub-agreements with political subdivisions of the State that have legal responsibilities relating to animal disease prevention, surveillance, or rapid response.

(f) *REPORTING REQUIREMENT.*—Not later than 90 days after the date of completion of an activity conducted using funds provided under the National Animal Disease Preparedness and Response Program, the recipient of such funds shall submit to the Secretary a report that describes the purposes and results of the activities.

SEC. 10409C. NATIONAL ANIMAL HEALTH VACCINE BANK.

(a) *ESTABLISHMENT.*—The Secretary shall establish a national vaccine bank (to be known as the “National Animal Health Vaccine Bank”) for the benefit of the domestic interests of the United States and to help protect the United States agriculture and food system against terrorist attack, major disaster, and other emergencies.

(b) *ELEMENTS OF VACCINE BANK.*—Through the National Animal Health Vaccine Bank, the Secretary shall—

(1) maintain sufficient quantities of animal vaccine, antiviral, therapeutic, or diagnostic products to appropriately and rapidly respond to an outbreak of those animal diseases that would have the most damaging effect on human health or the United States economy; and

(2) leverage, when appropriate, the mechanisms and infrastructure that have been developed for the management, storage, and distribution of the National Veterinary Stockpile of the Animal and Plant Health Inspection Service.

(c) *PRIORITY FOR RESPONSE TO FOOT AND MOUTH DISEASE.*—The Secretary shall prioritize the acquisition of sufficient quantities of foot and mouth disease vaccine, and accompanying diagnostic products, for the National Animal Health Vaccine Bank. As part of such prioritization, the Secretary shall consider contracting with one or more entities that are capable of producing foot and mouth disease vaccine and that have surge production capacity of the vaccine.

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SEC. 10417. [AUTHORIZATION OF APPROPRIATIONS.] FUNDING.

(a) **[IN GENERAL] GENERAL AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

(b) **TRANSFER OF FUNDS.**—

(1) **IN GENERAL.**—In connection with an emergency under which a pest or disease of livestock threatens any segment of agricultural production in the United States, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such funds as the Secretary determines are necessary for the arrest, control, eradication, or prevention of the spread of the pest or disease of livestock and for related expenses.

(2) **AVAILABILITY.**—Any funds transferred under this subsection shall remain available until expended, without fiscal year limitation.

(3) **REVIEWABILITY.**—The action of any officer, employee, or agent of the Secretary in carrying out this section (including determining the amount of and making any payment author-

ized to be made under this subtitle) shall not be subject to review by any officer or employee of the Federal Government other than the Secretary or the designee of the Secretary.

(c) USE OF FUNDS.—In carrying out this subtitle, the Secretary may use funds made available [to carry out this subtitle] pursuant to the authorization of appropriations in subsection (a) for—

(1) the employment of civilian nationals in foreign countries; and

(2) the construction and operation of research laboratories, quarantine stations, and other buildings and facilities for special purposes.

(d) AVAILABILITY OF FUNDS FOR SPECIFIED PURPOSES.—

(1) MANDATORY FUNDING.—

(A) FISCAL YEAR 2019.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available for fiscal year 2019 \$250,000,000 to carry out sections 10409A, 10409B, and 10409C, of which—

(i) \$30,000,000 shall be made available to carry out the National Animal Health Laboratory Network under section 10409A;

(ii) \$70,000,000 shall be made available to carry out the National Animal Disease Preparedness and Response Program under section 10409B; and

(iii) \$150,000,000 shall be made available to establish and maintain the National Animal Health Vaccine Bank under section 10409C.

(B) SUBSEQUENT FISCAL YEARS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out sections 10409A, 10409B, and 10409C, \$50,000,000 for each of fiscal years 2020 through 2023, of which not less than \$30,000,000 shall be made available for each of those fiscal years to carry out the National Animal Disease Preparedness and Response Program under section 10409B.

(2) ADDITIONAL AUTHORIZATION OF APPROPRIATIONS.—In addition to the funds made available under subparagraphs (A)(i) and (B) of paragraph (1) and funds authorized to be appropriated by subsection (a), there are authorized to be appropriated \$15,000,000 for each of fiscal years 2019 through 2023 to carry out the National Animal Health Laboratory Network under section 10409A.

(3) ADMINISTRATIVE COSTS Of the funds made available under subparagraphs (A)(i), (A)(ii), and (B) and subparagraph (B) of paragraph (1), not more than four percent may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out the National Animal Health Laboratory Network under section 10409A and the National Animal Disease Preparedness and Response Program under section 10409B. Of the funds made available under subparagraphs (A)(ii) and (B) to carry out the National Animal Disease Preparedness and Response Program under section 10409B and (B) of such paragraph, not more than ten percent may be retained by an eligible entity to pay administrative costs incurred by the eligible entity to carry out such program.

(4) *DURATION OF AVAILABILITY.*—Funds made available under this subsection, including any proceeds credited under paragraph (5), shall remain available until expended.

(5) *PROCEEDS FROM VACCINE SALES.*—Any proceeds of a sale of vaccine or antigen from the National Animal Health Vaccine Bank shall be—

- (A) deposited into the Treasury of the United States; and
- (B) credited to the account for the operation of the National Animal Health Vaccine Bank.

(6) *LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.*—Funds made available under the National Animal Health Laboratory Network, the National Animal Disease Preparedness and Response Program, and the National Animal Health Vaccine Bank shall not be used for the construction of a new building or facility or the acquisition or expansion of an existing building or facility, including site grading and improvement and architect fees.

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FEDERAL CROP INSURANCE REFORM AND DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994

* * * * *

TITLE III—MISCELLANEOUS

* * * * *

SEC. 309. OFFICE OF TRIBAL RELATIONS.

The Secretary shall maintain in the Office [of the Secretary] of *Partnerships and Public Engagement established under section 226B* an Office of Tribal Relations, which shall advise the Secretary on policies related to Indian tribes and carry out such other functions as the Secretary considers appropriate.

HIGHER EDUCATION ACT OF 1965

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TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

* * * * *

PART C—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

* * * * *

SEC. 625. INTERNSHIPS.

(a) *IN GENERAL.*—The Institute shall enter into agreements with historically Black colleges and universities, tribally controlled col-

leges or universities, Alaska Native-serving, Native Hawaiian-serving, and Hispanic-serving institutions, other institutions of higher education with significant numbers of minority students, and institutions of higher education with programs in training foreign service professionals, to provide academic year internships during the junior and senior year and summer internships following the sophomore and junior academic years, by work placements with international, voluntary or government organizations or agencies, including the Agency for International Development, the Department of State, the International Monetary Fund, the National Security Council, the Organization of American States, the Export-Import Bank, the Overseas Private Investment Corporation, the Department of State, Office of the United States Trade Representative, the World Bank, and the United Nations.

(b) **POSTBACCALAUREATE INTERNSHIPS.**—The Institute shall enter into agreements with institutions of higher education described in the first sentence of subsection (a) to conduct internships for students who have completed study for a baccalaureate degree. The internship program authorized by this subsection shall—

(1) assist the students to prepare for a master's degree program;

(2) be carried out with the assistance of the Woodrow Wilson International Center for Scholars; and

(3) contain work experience for the students designed to contribute to the students' preparation for a master's degree program.

(c) **INTERAGENCY COMMITTEE ON MINORITY CAREERS IN INTERNATIONAL AFFAIRS.**—

(1) **ESTABLISHMENT.**—There is established in the executive branch of the Federal Government an Interagency Committee on Minority Careers in International Affairs composed of not less than 7 members, including—

(A) the [Under Secretary for Farm and Foreign Agricultural Services] *Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs* of the Department of Agriculture, or the Under Secretary's designee;

(B) the Assistant Secretary and Director General, of the United States and Foreign Commercial Service of the Department of Commerce, or the Assistant Secretary and Director General's designee;

(C) the Under Secretary of Defense for Personnel and Readiness of the Department of Defense, or the Under Secretary's designee;

(D) the Assistant Secretary for Postsecondary Education in the Department of Education, or the Assistant Secretary's designee;

(E) the Director General of the Foreign Service of the Department of State, or the Director General's designee; and

(F) the General Counsel of the Agency for International Development, or the General Counsel's designee.

(2) **FUNCTIONS.**—The Interagency Committee established by this section shall—

(A) on an annual basis inform the Secretary and the Institute regarding ways to advise students participating in

the internship program assisted under this section with respect to goals for careers in international affairs;

(B) locate for students potential internship opportunities in the Federal Government related to international affairs; and

(C) promote policies in each department and agency participating in the Committee that are designed to carry out the objectives of this part.

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AGRICULTURAL ACT OF 1961

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TITLE III—AGRICULTURAL CREDIT

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SUBTITLE D—ADMINISTRATIVE PROVISIONS

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SEC. 343. (a) As used in this title:

(1) The term “farmer” includes a person who is engaged in, or who, with assistance afforded under this title, intends to engage in, fish farming.

(2) The term “farming” shall be deemed to include fish farming.

(3) The term “owner-operator” shall include in the State of Hawaii the lessee-operator of real property in any case in which the Secretary determines that such real property cannot be acquired in fee simple by such lessee-operator, that adequate security is provided for the loan with respect to such real property for which such lessee-operator applies under this title, and that there is a reasonable probability of accomplishing the objectives and repayment of such loan.

(4) The word “insure” as used in this title includes guarantee, which means to guarantee the payment of a loan originated, held, and serviced by a private financial agency or other lender approved by the Secretary.

(5) The term “contract of insurance” includes a contract of guarantee.

(6) The terms “United States” and “State” shall include each of the several States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and, to the extent the Secretary determines it to be feasible and appropriate, the Trust Territory of the Pacific Islands.

(7) The term “joint operation” means a joint farming operation in which two or more farmers work together sharing equally or unequally land, labor, equipment, expenses, and income.

(8) The term “beginning farmer or rancher” means such term as defined by the Secretary.

(9) The term “direct loan” means a loan made or insured from funds in the account created by section 309.

(10) The term “farmer program loan” means a farm ownership loan (FO) under section 303, operating loan (OL) under section 312, soil and water loan (SW) under section 304, emergency loan (EM) under section 321, economic emergency loan (EE) under section 202 of the Emergency Agricultural Credit Adjustment Act (title II of Public Law 95-334), economic opportunity loan (EO) under the Economic Opportunity Act of 1961 (42 U.S.C. 2942), softwood timber loan (ST) under section 1254 of the Food Security Act of 1985, or rural housing loan for farm service buildings (RHF) under section 502 of the Housing Act of 1949.

(11) The term “qualified beginning farmer or rancher” means an applicant, regardless of whether the applicant is participating in a program under section 310E—

(A) who is eligible for assistance under this title;

(B) who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 years;

(C) in the case of a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, who has members, stockholders, partners, or joint operators who are all related to one another by blood or marriage;

(D)(i) in the case of an owner and operator of a farm or ranch, who—

(I) in the case of a loan made to an individual, individually or with the immediate family of the applicant—

(aa) materially and substantially participates in the operation of the farm or ranch; and

(bb) provides substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the State or county in which the farm or ranch is located; or

(II)(aa) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, has members, stockholders, partners, joint operators, or owners, materially and substantially participate in the operation of the farm or ranch; and

(bb) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or other such legal entity as the Secretary considers appropriate, has members, stockholders, partners, or joint operators, all of whom are qualified beginning farmers or ranchers; and

(ii) in the case of an applicant seeking to own and operate a farm or ranch, who—

(I) in the case of a loan made to an individual, individually or with the immediate family of the applicant, will—

(aa) materially and substantially participate in the operation of the farm or ranch; and

(bb) provide substantial day-to-day labor and management of the farm or ranch, consistent with

the practices in the State or county in which the farm or ranch is located; or

(II)(aa) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or such other legal entity as the Secretary considers appropriate, will have members, stockholders, partners, joint operators, or owners, materially and substantially participate in the operation of the farm or ranch; and

(bb) in the case of a loan made to a cooperative, corporation, partnership, joint operation, or other such legal entity as the Secretary considers appropriate, has members, stockholders, partners, or joint operators, all of whom are qualified beginning farmers or ranchers;

(E) who agrees to participate in such loan assessment, borrower training, and financial management programs as the Secretary may require;

(F) who does not own land or who, directly or through interests in family farm corporations, owns land, the aggregate acreage of which does not exceed 30 percent of the average acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture, except that this subparagraph shall not apply to a loan made or guaranteed under subtitle B; and

(G) who demonstrates that the available resources of the applicant and spouse (if any) of the applicant are not sufficient to enable the applicant to continue farming or ranching on a viable scale.

(12) DEBT FORGIVENESS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term “debt forgiveness” means reducing or terminating a farmer program loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

(i) writing down or writing off a loan under section 353;

(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 331;

(iii) paying a loss on a guaranteed loan under section 357; or

(iv) discharging a debt as a result of bankruptcy.

(B) EXCEPTIONS.—The term “debt forgiveness” does not include—

(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.

(13) RURAL AND RURAL AREA.—

(A) IN GENERAL.—Subject to subparagraphs (B) through (G), the terms “rural” and “rural area” mean any area other than—

(i) a city or town that has a population of greater than 50,000 inhabitants; and

(ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).

(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms “rural” and “rural area” mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms “rural” and “rural area” mean any area other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.

(D) AREAS RURAL IN CHARACTER.—

(i) APPLICATION.—This subparagraph applies to—

(I) an urbanized area described in subparagraphs (A)(ii) and (F) that—

(aa) has 2 points on its boundary that are at least 40 miles apart; and

(bb) is not contiguous or adjacent to a city or town that has a population of greater than 150,000 inhabitants or an urbanized area of such city or town; and

(II) an area within an urbanized area described in subparagraphs (A)(ii) and (F) that is within $\frac{1}{4}$ -mile of a rural area described in subparagraph (A).

(ii) DETERMINATION.—Notwithstanding any other provision of this paragraph, on the petition of a unit of local government in an area described in clause (i) or on the initiative of the Under Secretary for Rural Development (*or other official designated by the Secretary*), the Under Secretary *or designated official* may determine that a part of an area described in clause (i) is a rural area for the purposes of this paragraph, if the Under Secretary *or designated official* finds that the part is rural in character, as determined by the Under Secretary *or designated official*.

(iii) ADMINISTRATION.—In carrying out this subparagraph, the Under Secretary for Rural Development (*or other official designated by the Secretary*) shall—

(I) not delegate the authority to carry out this subparagraph;

(II) consult with the applicable rural development State or regional director of the Department of Agriculture and the governor of the respective State;

(III) provide to the petitioner an opportunity to appeal to the Under Secretary *or designated official* a determination made under this subparagraph;

(IV) release to the public notice of a petition filed or initiative of the Under Secretary *or des-*

ignated official under this subparagraph not later than 30 days after receipt of the petition or the commencement of the initiative, as appropriate;

(V) make a determination under this subparagraph not less than 15 days, and not more than 60 days, after the release of the notice under subclause (IV);

(VI) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on actions taken to carry out this subparagraph; and

(VII) terminate a determination under this subparagraph that part of an area is a rural area on the date that data is available for the next decennial census conducted under section 141(a) of title 13, United States Code.

(E) EXCLUSIONS.—Notwithstanding any other provision of this paragraph, in determining which census blocks in an urbanized area are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census blocks that would otherwise be considered not in a rural area only because the cluster is adjacent to not more than 2 census blocks that are otherwise considered not in a rural area under this paragraph.

(F) URBAN AREA GROWTH.—

(i) APPLICATION.—This subparagraph applies to—

(I) any area that—

(aa) is a collection of census blocks that are contiguous to each other;

(bb) has a housing density that the Secretary estimates is greater than 200 housing units per square mile; and

(cc) is contiguous or adjacent to an existing boundary of a rural area; and

(II) any urbanized area contiguous and adjacent to a city or town described in subparagraph (A)(i).

(ii) ADJUSTMENTS.—The Secretary may, by regulation only, consider—

(I) an area described in clause (i)(I) not to be a rural area for purposes of subparagraphs (A) and (C); and

(II) an area described in clause (i)(II) not to be a rural area for purposes of subparagraph (C).

(iii) APPEALS.—A program applicant may appeal an estimate made under clause (i)(I) based on appropriate data for an area, as determined by the Secretary.

(G) HAWAII AND PUERTO RICO.—Notwithstanding any other provision of this paragraph, within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any part of the areas as a rural area if the Secretary determines that the part is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place.

(b) As used in sections 307(e), 331D, 335 (e) and (f), 338(b), 352 (b) and (c), 353, and 357:

(1) The term “borrower” means any farm borrower who has outstanding obligations to the Secretary under any farmer program loan, without regard to whether the loan has been accelerated, but does not include any farm borrower all of whose loans and accounts have been foreclosed on or liquidated, voluntarily or otherwise.

(2) The term “loan service program” means, with respect to a farmer program borrower, a primary loan service program or a preservation loan service program.

(3) The term “primary loan service program” means—

(A) loan consolidation, rescheduling, or reamortization;

(B) interest rate reduction, including the use of the limited resource program;

(C) loan restructuring, including deferral, set aside, or writing down of the principal or accumulated interest charges, or both, of the loan; or

(D) any combination of actions described in subparagraphs (A), (B), and (C).

(4) PRESERVATION LOAN SERVICE PROGRAM.—The term “preservation loan service program” means homestead retention as authorized under section 352.

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NATIVE AMERICAN BUSINESS DEVELOPMENT, TRADE PROMOTION, AND TOURISM ACT OF 2000

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SEC. 6. INTERTRIBAL TOURISM DEMONSTRATION PROJECTS.

(a) PROGRAM TO CONDUCT TOURISM PROJECTS.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall conduct a Native American tourism program to facilitate the development and conduct of tourism demonstration projects by Indian tribes, on a tribal, intertribal, or regional basis.

(2) DEMONSTRATION PROJECTS.—

(A) IN GENERAL.—Under the program established under this section, in order to assist in the development and promotion of tourism on and in the vicinity of Indian lands, the Secretary, acting through the Director, shall, in coordination with the Under Secretary of Agriculture for Rural Development (*or other official designated by the Secretary of Agriculture*), assist eligible entities in the planning, development, and implementation of tourism development demonstration projects that meet the criteria described in subparagraph (B).

(B) PROJECTS DESCRIBED.—In selecting tourism development demonstration projects under this section, the Secretary, acting through the Director, shall select projects that have the potential to increase travel and tourism revenues by attracting visitors to Indian lands and lands in the vicinity of Indian lands, including projects that provide for—

(i) the development and distribution of educational and promotional materials pertaining to attractions located on and near Indian lands;

(ii) the development of educational resources to assist in private and public tourism development on and in the vicinity of Indian lands; and

(iii) the coordination of tourism-related joint ventures and cooperative efforts between eligible entities and appropriate State and local governments that have jurisdiction over areas in the vicinity of Indian lands.

(3) GRANTS.—To carry out the program under this section, the Secretary, acting through the Director, may award grants or enter into other appropriate arrangements with Indian tribes, tribal organizations, intertribal consortia, or other tribal entities that the Secretary, in consultation with the Director, determines to be appropriate.

(4) LOCATIONS.—In providing for tourism development demonstration projects under the program under this section, the Secretary, acting through the Director, shall provide for a demonstration project to be conducted—

(A) for Indians of the Four Corners area located in the area adjacent to the border between Arizona, Utah, Colorado, and New Mexico;

(B) for Indians of the northwestern area that is commonly known as the Great Northwest (as determined by the Secretary);

(C) for the Oklahoma Indians in Oklahoma;

(D) for the Indians of the Great Plains area (as determined by the Secretary); and

(E) for Alaska Natives in Alaska.

(b) ASSISTANCE.—The Secretary, acting through the Director, shall provide financial assistance, technical assistance, and administrative services to participants that the Secretary, acting through the Director, selects to carry out a tourism development project under this section, with respect to—

(1) feasibility studies conducted as part of that project;

(2) market analyses;

(3) participation in tourism and trade missions; and

(4) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(c) INFRASTRUCTURE DEVELOPMENT.—The demonstration projects conducted under this section shall include provisions to facilitate the development and financing of infrastructure, including the development of Indian reservation roads in a manner consistent with title 23, United States Code.

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REHABILITATION ACT OF 1973

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**TITLE I—VOCATIONAL
REHABILITATION SERVICES**

PART A—GENERAL PROVISIONS

* * * * *

SEC. 101. STATE PLANS.

(a) **PLAN REQUIREMENTS.—**

(1) **IN GENERAL.—**

(A) **SUBMISSION.—**To be eligible to receive funds under this title for a fiscal year, a State shall submit, and have approved by the Secretary and the Secretary of Labor, a unified State plan in accordance with section 102, or a combined State plan in accordance with section 103, of the Workforce Innovation and Opportunity Act. The unified or combined State plan shall include, in the portion of the plan described in section 102(b)(2)(D) of such Act (referred to in this subsection as the “vocational rehabilitation services portion”), the provisions of a State plan for vocational rehabilitation services, described in this subsection.

(B) **NONDUPLICATION.—**The State shall not be required to submit, as part of the vocational rehabilitation services portion of the unified or combined State plan submitted in accordance with subparagraph (A), policies, procedures, or descriptions required under this title that have been previously submitted to the Commissioner and that demonstrate that such State meets the requirements of this title, including any policies, procedures, or descriptions submitted under this title as in effect on the day before the effective date of the Workforce Innovation and Opportunity Act.

(C) **DURATION.—**The vocational rehabilitation services portion of the unified or combined State plan submitted in accordance with subparagraph (A) shall remain in effect until the State submits and receives approval of a new State plan in accordance with subparagraph (A), or until the submission of such modifications as the State determines to be necessary or as the Commissioner may require based on a change in State policy, a change in Federal law (including regulations), an interpretation of this Act by a Federal court or the highest court of the State, or a finding by the Commissioner of State noncompliance with the requirements of this Act.

(2) **DESIGNATED STATE AGENCY; DESIGNATED STATE UNIT.—**

(A) **DESIGNATED STATE AGENCY.—**The State plan for vocational rehabilitation services shall designate a State agency as the sole State agency to administer the plan, or to supervise the administration of the plan by a local agency, except that—

(i) where, under State law, the State agency for individuals who are blind or another agency that provides assistance or services to adults who are blind is authorized to provide vocational rehabilitation services to individuals who are blind, that agency may be des-

ignated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for individuals who are blind (or to supervise the administration of such part by a local agency) and a separate State agency may be designated as the sole State agency to administer or supervise the administration of the rest of the State plan;

(ii) the Commissioner, on the request of a State, may authorize the designated State agency to share funding and administrative responsibility with another agency of the State or with a local agency in order to permit the agencies to carry out a joint program to provide services to individuals with disabilities, and may waive compliance, with respect to vocational rehabilitation services furnished under the joint program, with the requirement of paragraph (4) that the plan be in effect in all political subdivisions of the State; and

(iii) in the case of American Samoa, the appropriate State agency shall be the Governor of American Samoa.

(B) DESIGNATED STATE UNIT.—The State agency designated under subparagraph (A) shall be—

(i) a State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities; or

(ii) if not such an agency, the State agency (or each State agency if 2 are so designated) shall include a vocational rehabilitation bureau, division, or other organizational unit that—

(I) is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of individuals with disabilities, and is responsible for the vocational rehabilitation program of the designated State agency;

(II) has a full-time director who is responsible for the day-to-day operation of the vocational rehabilitation program;

(III) has a staff employed on the rehabilitation work of the organizational unit all or substantially all of whom are employed full time on such work;

(IV) is located at an organizational level and has an organizational status within the designated State agency comparable to that of other major organizational units of the designated State agency; and

(V) has the sole authority and responsibility within the designated State agency described in subparagraph (A) to expend funds made available under this title in a manner that is consistent with the purposes of this title.

(C) RESPONSIBILITY FOR SERVICES FOR THE BLIND.—If the State has designated only 1 State agency pursuant to subparagraph (A), the State may assign responsibility for the

part of the plan under which vocational rehabilitation services are provided for individuals who are blind to an organizational unit of the designated State agency and assign responsibility for the rest of the plan to another organizational unit of the designated State agency, with the provisions of subparagraph (B) applying separately to each of the designated State units.

(3) NON-FEDERAL SHARE.—The State plan shall provide for financial participation by the State, or if the State so elects, by the State and local agencies, to provide the amount of the non-Federal share of the cost of carrying out part B.

(4) STATEWIDENESS.—The State plan shall provide that the plan shall be in effect in all political subdivisions of the State, except that—

(A) in the case of any activity that, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of individuals with disabilities or groups of individuals with disabilities, the Commissioner may waive compliance with the requirement that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by the Commissioner, but only if the non-Federal share of the cost of the vocational rehabilitation services involved is met from funds made available by a local agency (including funds contributed to such agency by a private agency, organization, or individual); and

(B) in a case in which earmarked funds are used toward the non-Federal share and such funds are earmarked for particular geographic areas within the State, the earmarked funds may be used in such areas if the State notifies the Commissioner that the State cannot provide the full non-Federal share without such funds.

(5) ORDER OF SELECTION FOR VOCATIONAL REHABILITATION SERVICES.—In the event that vocational rehabilitation services cannot be provided to all eligible individuals with disabilities in the State who apply for the services, the State plan shall—

(A) show the order to be followed in selecting eligible individuals to be provided vocational rehabilitation services;

(B) provide the justification for the order of selection;

(C) include an assurance that, in accordance with criteria established by the State for the order of selection, individuals with the most significant disabilities will be selected first for the provision of vocational rehabilitation services;

(D) notwithstanding subparagraph (C), permit the State, in its discretion, to elect to serve eligible individuals (whether or not receiving vocational rehabilitation services) who require specific services or equipment to maintain employment; and

(E) provide that eligible individuals, who do not meet the order of selection criteria, shall have access to services provided through the information and referral system implemented under paragraph (20).

(6) METHODS FOR ADMINISTRATION.—

(A) IN GENERAL.—The State plan shall provide for such methods of administration as are found by the Commissioner to be necessary for the proper and efficient administration of the plan.

(B) EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.—The State plan shall provide that the designated State agency, and entities carrying out community rehabilitation programs in the State, who are in receipt of assistance under this title shall take affirmative action to employ and advance in employment qualified individuals with disabilities covered under, and on the same terms and conditions as set forth in, section 503.

(C) FACILITIES.—The State plan shall provide that facilities used in connection with the delivery of services assisted under the State plan shall comply with the Act entitled “An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped”, approved on August 12, 1968 (commonly known as the “Architectural Barriers Act of 1968”), with section 504, and with the Americans with Disabilities Act of 1990.

(7) COMPREHENSIVE SYSTEM OF PERSONNEL DEVELOPMENT.—The State plan shall—

(A) include a description (consistent with the purposes of this Act) of a comprehensive system of personnel development, which shall include—

(i) a description of the procedures and activities the designated State agency will undertake to ensure an adequate supply of qualified State rehabilitation professionals and paraprofessionals for the designated State unit, including the development and maintenance of a system for determining, on an annual basis—

(I) the number and type of personnel that are employed by the designated State unit in the provision of vocational rehabilitation services, including ratios of qualified vocational rehabilitation counselors to clients; and

(II) the number and type of personnel needed by the State, and a projection of the numbers of such personnel that will be needed in 5 years, based on projections of the number of individuals to be served, the number of such personnel who are expected to retire or leave the vocational rehabilitation field, and other relevant factors;

(ii) where appropriate, a description of the manner in which activities will be undertaken under this section to coordinate the system of personnel development with personnel development activities under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

(iii) a description of the development and maintenance of a system of determining, on an annual basis, information on the programs of institutions of higher

education within the State that are preparing rehabilitation professionals, including—

(I) the numbers of students enrolled in such programs; and

(II) the number of such students who graduated with certification or licensure, or with credentials to qualify for certification or licensure, as a rehabilitation professional during the past year;

(iv) a description of the development, updating, and implementation of a plan that—

(I) will address the current and projected vocational rehabilitation services personnel training needs for the designated State unit; and

(II) provides for the coordination and facilitation of efforts between the designated State unit, institutions of higher education, and professional associations to recruit, prepare, and retain qualified personnel, including personnel from minority backgrounds, and personnel who are individuals with disabilities; and

(v) a description of the procedures and activities the designated State agency will undertake to ensure that all personnel employed by the designated State unit are appropriately and adequately trained and prepared, including—

(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology, including training implemented in coordination with entities carrying out State programs under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003); and

(II) procedures for acquiring and disseminating to rehabilitation professionals and paraprofessionals within the designated State unit significant knowledge from research and other sources, including procedures for providing training regarding the amendments to this Act made by the Workforce Innovation and Opportunity Act;

(B) set forth policies and procedures relating to the establishment and maintenance of standards to ensure that personnel, including rehabilitation professionals and paraprofessionals, needed within the designated State unit to carry out this part are appropriately and adequately prepared and trained, including—

(i) the establishment and maintenance of standards that are consistent with any national or State approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which such personnel are providing vocational rehabilitation services; and

(ii) the establishment and maintenance of education and experience requirements, to ensure that the personnel have a 21st century understanding of the evol-

ing labor force and the needs of individuals with disabilities, including requirements for—

(I)(aa) attainment of a baccalaureate degree in a field of study reasonably related to vocational rehabilitation, to indicate a level of competency and skill demonstrating basic preparation in a field of study such as vocational rehabilitation counseling, social work, psychology, disability studies, business administration, human resources, special education, supported employment, customized employment, economics, or another field that reasonably prepares individuals to work with consumers and employers; and

(bb) demonstrated paid or unpaid experience, for not less than 1 year, consisting of—

(AA) direct work with individuals with disabilities in a setting such as an independent living center;

(BB) direct service or advocacy activities that provide such individual with experience and skills in working with individuals with disabilities; or

(CC) direct experience as an employer, as a small business owner or operator, or in self-employment, or other experience in human resources, recruitment, or experience in supervising employees, training, or other activities that provide experience in competitive integrated employment environments; or

(II) attainment of a master's or doctoral degree in a field of study such as vocational rehabilitation counseling, law, social work, psychology, disability studies, business administration, human resources, special education, management, public administration, or another field that reasonably provides competence in the employment sector, in a disability field, or in both business-related and rehabilitation-related fields; and

(C) contain provisions relating to the establishment and maintenance of minimum standards to ensure the availability of personnel within the designated State unit, to the maximum extent feasible, trained to communicate in the native language or mode of communication of an applicant or eligible individual.

(8) COMPARABLE SERVICES AND BENEFITS.—

(A) DETERMINATION OF AVAILABILITY.—

(i) IN GENERAL.—The State plan shall include an assurance that, prior to providing an accommodation or auxiliary aid or service or any vocational rehabilitation service to an eligible individual, except those services specified in paragraph (5)(E) and in paragraphs (1) through (4) and (14) of section 103(a), the designated State unit will determine whether comparable services and benefits are available under any other program (other than a program carried out under this

title) unless such a determination would interrupt or delay—

(I) the progress of the individual toward achieving the employment outcome identified in the individualized plan for employment of the individual in accordance with section 102(b);

(II) an immediate job placement; or

(III) the provision of such service to any individual at extreme medical risk.

(ii) AWARDS AND SCHOLARSHIPS.—For purposes of clause (i), comparable benefits do not include awards and scholarships based on merit.

(B) INTERAGENCY AGREEMENT.—The State plan shall include an assurance that the Governor of the State, in consultation with the entity in the State responsible for the vocational rehabilitation program and other appropriate agencies, will ensure that an interagency agreement or other mechanism for interagency coordination takes effect between any appropriate public entity, including the State entity responsible for administering the State Medicaid program, a public institution of higher education, and a component of the statewide workforce development system, and the designated State unit, in order to ensure the provision of vocational rehabilitation services described in subparagraph (A) (other than those services specified in paragraph (5)(E), and in paragraphs (1) through (4) and (14) of section 103(a)), and, if appropriate, accommodations or auxiliary aids and services, that are included in the individualized plan for employment of an eligible individual, including the provision of such vocational rehabilitation services (including, if appropriate, accommodations or auxiliary aids and services) during the pendency of any dispute described in clause (iii). Such agreement or mechanism shall include the following:

(i) AGENCY FINANCIAL RESPONSIBILITY.—An identification of, or a description of a method for defining, the financial responsibility of such public entity for providing such services, and a provision stating the financial responsibility of such public entity for providing such services.

(ii) CONDITIONS, TERMS, AND PROCEDURES OF REIMBURSEMENT.—Information specifying the conditions, terms, and procedures under which a designated State unit shall be reimbursed by other public entities for providing such services, based on the provisions of such agreement or mechanism.

(iii) INTERAGENCY DISPUTES.—Information specifying procedures for resolving interagency disputes under the agreement or other mechanism (including procedures under which the designated State unit may initiate proceedings to secure reimbursement from other public entities or otherwise implement the provisions of the agreement or mechanism).

(iv) COORDINATION OF SERVICES PROCEDURES.—Information specifying policies and procedures for public

entities to determine and identify the interagency coordination responsibilities of each public entity to promote the coordination and timely delivery of vocational rehabilitation services (except those services specified in paragraph (5)(E) and in paragraphs (1) through (4) and (14) of section 103(a)), and accommodations or auxiliary aids and services.

(C) RESPONSIBILITIES OF OTHER PUBLIC ENTITIES.—

(i) RESPONSIBILITIES UNDER OTHER LAW.—Notwithstanding subparagraph (B), if any public entity other than a designated State unit is obligated under Federal or State law, or assigned responsibility under State policy or under this paragraph, to provide or pay for any services that are also considered to be vocational rehabilitation services (other than those specified in paragraph (5)(E) and in paragraphs (1) through (4) and (14) of section 103(a)), such public entity shall fulfill that obligation or responsibility, either directly or by contract or other arrangement.

(ii) REIMBURSEMENT.—If a public entity other than the designated State unit fails to provide or pay for the services described in clause (i) for an eligible individual, the designated State unit shall provide or pay for such services to the individual. Such designated State unit may claim reimbursement for the services from the public entity that failed to provide or pay for such services. Such public entity shall reimburse the designated State unit pursuant to the terms of the interagency agreement or other mechanism described in this paragraph according to the procedures established in such agreement or mechanism pursuant to subparagraph (B)(ii).

(D) METHODS.—The Governor of a State may meet the requirements of subparagraph (B) through—

- (i) a State statute or regulation;
- (ii) a signed agreement between the respective officials of the public entities that clearly identifies the responsibilities of each public entity relating to the provision of services; or
- (iii) another appropriate method, as determined by the designated State unit.

(9) INDIVIDUALIZED PLAN FOR EMPLOYMENT.—

(A) DEVELOPMENT AND IMPLEMENTATION.—The State plan shall include an assurance that an individualized plan for employment meeting the requirements of section 102(b) will be developed and implemented in a timely manner for an individual subsequent to the determination of the eligibility of the individual for services under this title, except that in a State operating under an order of selection described in paragraph (5), the plan will be developed and implemented only for individuals meeting the order of selection criteria of the State.

(B) PROVISION OF SERVICES.—The State plan shall include an assurance that such services will be provided in

accordance with the provisions of the individualized plan for employment.

(10) REPORTING REQUIREMENTS.—

(A) IN GENERAL.—The State plan shall include an assurance that the designated State agency will submit reports in the form and level of detail and at the time required by the Commissioner regarding applicants for, and eligible individuals receiving, services under this title.

(B) ANNUAL REPORTING.—In specifying the information to be submitted in the reports, the Commissioner shall require annual reporting of information, on eligible individuals receiving the services, that is necessary to assess the State's performance on the standards and indicators described in section 106(a) that are determined by the Secretary to be relevant in assessing the performance of designated State units in carrying out the vocational rehabilitation program established under this title.

(C) ADDITIONAL DATA.—In specifying the information required to be submitted in the reports, the Commissioner shall require additional data, from each State, with regard to applicants and eligible individuals related to—

(i) the number of applicants and the number of individuals determined to be eligible or ineligible for the program carried out under this title, including the number of individuals determined to be ineligible (disaggregated by type of disability and age);

(ii) the number of individuals who received vocational rehabilitation services through the program, including—

(I) the number who received services under paragraph (5)(E), but not assistance under an individualized plan for employment;

(II) of those recipients who are individuals with significant disabilities, the number who received assistance under an individualized plan for employment consistent with section 102(b);

(III) of those recipients who are not individuals with significant disabilities, the number who received assistance under an individualized plan for employment consistent with section 102(b);

(IV) the number of individuals with open cases (disaggregated by those who are receiving training and those who are in postsecondary education), and the type of services the individuals are receiving (including supported employment);

(V) the number of students with disabilities who are receiving pre-employment transition services under this title; and

(VI) the number of individuals referred to State vocational rehabilitation programs by one-stop operators (as defined in section 3 of the Workforce Innovation and Opportunity Act), and the number of individuals referred to such one-stop operators by State vocational rehabilitation programs;

(iii) of those applicants and eligible recipients who are individuals with significant disabilities—

(I) the number who ended their participation in the program carried out under this title and the number who achieved employment outcomes after receiving vocational rehabilitation services; and

(II) the number who ended their participation in the program and who were employed 6 months and 12 months after securing or regaining employment, or, in the case of individuals whose employment outcome was to retain or advance in employment, who were employed 6 months and 12 months after achieving their employment outcome, including—

(aa) the number who earned the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or another wage level set by the Commissioner, during such employment; and

(bb) the number who received employment benefits from an employer during such employment; and

(iv) of those applicants and eligible recipients who are not individuals with significant disabilities—

(I) the number who ended their participation in the program carried out under this title and the number who achieved employment outcomes after receiving vocational rehabilitation services and, for those who achieved employment outcomes, the average length of time to obtain employment; and

(II) the number who ended their participation in the program and who were employed 6 months and 12 months after securing or regaining employment, or, in the case of individuals whose employment outcome was to retain or advance in employment, who were employed 6 months and 12 months after achieving their employment outcome, including—

(aa) the number who earned the minimum wage rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or another wage level set by the Commissioner, during such employment; and

(bb) the number who received employment benefits from an employer during such employment.

(D) COSTS AND RESULTS.—The Commissioner shall also require that the designated State agency include in the reports information on—

(i) the costs under this title of conducting administration, providing assessment services, counseling and guidance, and other direct services provided by designated State agency staff, providing services purchased under individualized plans for employment, supporting small business enterprises, establishing,

developing, and improving community rehabilitation programs, providing other services to groups, and facilitating use of other programs under this Act and title I of the Workforce Innovation and Opportunity Act by eligible individuals; and

(ii) the results of annual evaluation by the State of program effectiveness under paragraph (15)(E).

(E) ADDITIONAL INFORMATION.—The Commissioner shall require that each designated State unit include in the reports additional information related to the applicants and eligible individuals, obtained either through a complete count or sampling, including—

(i) information on—

(I) age, gender, race, ethnicity, education, category of impairment, severity of disability, and whether the individuals are students with disabilities;

(II) dates of application, determination of eligibility or ineligibility, initiation of the individualized plan for employment, and termination of participation in the program;

(III) earnings at the time of application for the program and termination of participation in the program;

(IV) work status and occupation;

(V) types of services, including assistive technology services and assistive technology devices, provided under the program;

(VI) types of public or private programs or agencies that furnished services under the program; and

(VII) the reasons for individuals terminating participation in the program without achieving an employment outcome; and

(ii) information necessary to determine the success of the State in meeting the standards and indicators established pursuant to section 106.

(F) COMPLETENESS AND CONFIDENTIALITY.—The State plan shall include an assurance that the information submitted in the reports will include a complete count, except as provided in subparagraph (E), of the applicants and eligible individuals, in a manner permitting the greatest possible cross-classification of data and that the identity of each individual for which information is supplied under this paragraph will be kept confidential.

(G) RULES FOR REPORTING OF DATA.—The disaggregation of data under this Act shall not be required within a category if the number of individuals in a category is insufficient to yield statistically reliable information, or if the results would reveal personally identifiable information about an individual.

(H) COMPREHENSIVE REPORT.—The State plan shall specify that the Commissioner will provide an annual comprehensive report that includes the reports and data required under this section, as well as a summary of the re-

ports and data, for each fiscal year. The Commissioner shall submit the report to the Committee on Education and the Workforce of the House of Representatives, the Committee on Appropriations of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Appropriations of the Senate, not later than 90 days after the end of the fiscal year involved.

(11) COOPERATION, COLLABORATION, AND COORDINATION.—

(A) COOPERATIVE AGREEMENTS WITH OTHER COMPONENTS OF STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS.—The State plan shall provide that the designated State unit or designated State agency shall enter into a cooperative agreement with other entities that are components of the statewide workforce development system of the State, regarding the system, which agreement may provide for—

(i) provision of intercomponent staff training and technical assistance with regard to—

(I) the availability and benefits of, and information on eligibility standards for, vocational rehabilitation services; and

(II) the promotion of equal, effective, and meaningful participation by individuals with disabilities in workforce development activities in the State through the promotion of program accessibility (including programmatic accessibility and physical accessibility), the use of nondiscriminatory policies and procedures, and the provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

(ii) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, including nonvisual electronic networks, and that relate to such subjects as employment statistics, and information on job vacancies, career planning, and workforce investment activities;

(iii) use of customer service features such as common intake and referral procedures, customer databases, resource information, and human services hotlines;

(iv) establishment of cooperative efforts with employers to—

(I) facilitate job placement; and

(II) carry out any other activities that the designated State unit and the employers determine to be appropriate;

(v) identification of staff roles, responsibilities, and available resources, and specification of the financial responsibility of each component of the statewide workforce development system with regard to paying for necessary services (consistent with State law and Federal requirements); and

(vi) specification of procedures for resolving disputes among such components.

(B) REPLICATION OF COOPERATIVE AGREEMENTS.—The State plan shall provide for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system.

(C) INTERAGENCY COOPERATION WITH OTHER AGENCIES.—The State plan shall include descriptions of interagency cooperation with, and utilization of the services and facilities of, Federal, State, and local agencies and programs, including the State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), programs carried out by the Under Secretary for Rural Development of the Department of Agriculture (*or other official designated by the Secretary of Agriculture*), noneducational agencies serving out-of-school youth, and State use contracting programs, to the extent that such Federal, State, and local agencies and programs are not carrying out activities through the statewide workforce development system.

(D) COORDINATION WITH EDUCATION OFFICIALS.—The State plan shall contain plans, policies, and procedures for coordination between the designated State agency and education officials responsible for the public education of students with disabilities, that are designed to facilitate the transition of the students with disabilities from the receipt of educational services in school to the receipt of vocational rehabilitation services, including pre-employment transition services, under this title, including information on a formal interagency agreement with the State educational agency that, at a minimum, provides for—

(i) consultation and technical assistance, which may be provided using alternative means for meeting participation (such as video conferences and conference calls), to assist educational agencies in planning for the transition of students with disabilities from school to post-school activities, including vocational rehabilitation services;

(ii) transition planning by personnel of the designated State agency and educational agency personnel for students with disabilities that facilitates the development and implementation of their individualized education programs under section 614(d) of the Individuals with Disabilities Education Act;

(iii) the roles and responsibilities, including financial responsibilities, of each agency, including provisions for determining State lead agencies and qualified personnel responsible for transition services; and

(iv) procedures for outreach to and identification of students with disabilities who need the transition services.

(E) COORDINATION WITH EMPLOYERS.—The State plan shall describe how the designated State unit will work

with employers to identify competitive integrated employment opportunities and career exploration opportunities, in order to facilitate the provision of—

- (i) vocational rehabilitation services; and
- (ii) transition services for youth with disabilities and students with disabilities, such as pre-employment transition services.

(F) COORDINATION WITH STATEWIDE INDEPENDENT LIVING COUNCILS AND INDEPENDENT LIVING CENTERS.—The State plan shall include an assurance that the designated State unit, the Statewide Independent Living Council established under section 705, and the independent living centers described in part C of chapter 1 of title VII within the State have developed working relationships and coordinate their activities, as appropriate.

(G) COOPERATIVE AGREEMENT REGARDING INDIVIDUALS ELIGIBLE FOR HOME AND COMMUNITY-BASED WAIVER PROGRAMS.—The State plan shall include an assurance that the designated State unit has entered into a formal cooperative agreement with the State agency responsible for administering the State Medicaid plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) and the State agency with primary responsibility for providing services and supports for individuals with intellectual disabilities and individuals with developmental disabilities, with respect to the delivery of vocational rehabilitation services, including extended services, for individuals with the most significant disabilities who have been determined to be eligible for home and community-based services under a Medicaid waiver, Medicaid State plan amendment, or other authority related to a State Medicaid program.

(H) COOPERATIVE AGREEMENT WITH RECIPIENTS OF GRANTS FOR SERVICES TO AMERICAN INDIANS.—In applicable cases, the State plan shall include an assurance that the State has entered into a formal cooperative agreement with each grant recipient in the State that receives funds under part C. The agreement shall describe strategies for collaboration and coordination in providing vocational rehabilitation services to American Indians who are individuals with disabilities, including—

- (i) strategies for interagency referral and information sharing that will assist in eligibility determinations and the development of individualized plans for employment;
- (ii) procedures for ensuring that American Indians who are individuals with disabilities and are living on or near a reservation or tribal service area are provided vocational rehabilitation services;
- (iii) strategies for the provision of transition planning, by personnel of the designated State unit, the State educational agency, and the recipient of funds under part C, that will facilitate the development and approval of the individualized plans for employment under section 102; and

(iv) provisions for sharing resources in cooperative studies and assessments, joint training activities, and other collaborative activities designed to improve the provision of services to American Indians who are individuals with disabilities.

(I) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit, and the lead agency and implementing entity (if any) designated by the Governor of the State under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), have developed working relationships and will enter into agreements for the coordination of their activities, including the referral of individuals with disabilities to programs and activities described in that section.

(J) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall include an assurance that the designated State unit will coordinate activities with any other State agency that is functioning as an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).

(K) INTERAGENCY COOPERATION.—The State plan shall describe how the designated State agency or agencies (if more than 1 agency is designated under paragraph (2)(A)) will collaborate with the State agency responsible for administering the State Medicaid plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), the State agency responsible for providing services for individuals with developmental disabilities, and the State agency responsible for providing mental health services, to develop opportunities for community-based employment in integrated settings, to the greatest extent practicable.

(12) RESIDENCY.—The State plan shall include an assurance that the State will not impose a residence requirement that excludes from services provided under the plan any individual who is present in the State.

(13) SERVICES TO AMERICAN INDIANS.—The State plan shall include an assurance that, except as otherwise provided in part C, the designated State agency will provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State to the same extent as the designated State agency provides such services to other significant populations of individuals with disabilities residing in the State.

(14) SEMIANNUAL REVIEW OF INDIVIDUALS IN EXTENDED EMPLOYMENT OR OTHER EMPLOYMENT UNDER SPECIAL CERTIFICATE PROVISIONS OF THE FAIR LABOR STANDARDS ACT OF 1938.—The State plan shall provide for—

(A) a semiannual review and reevaluation of the status of each individual with a disability served under this title who is employed either in an extended employment setting in a community rehabilitation program or any other employment under section 14(c) of the Fair Labor Standards Act (29 U.S.C. 214(c)) for 2 years after the beginning of

such employment, and annually thereafter, to determine the interests, priorities, and needs of the individual with respect to competitive integrated employment or training for competitive integrated employment;

(B) input into the review and reevaluation, and a signed acknowledgment that such review and reevaluation have been conducted, by the individual with a disability, or, if appropriate, the individual's representative;

(C) maximum efforts, including the identification and provision of vocational rehabilitation services, reasonable accommodations, and other necessary support services, to assist individuals described in subparagraph (A) in attaining competitive integrated employment; and

(D) an assurance that the State will report the information generated under subparagraphs (A), (B), and (C), for each of the individuals, to the Administrator of the Wage and Hour Division of the Department of Labor for each fiscal year, not later than 60 days after the end of the fiscal year.

(15) ANNUAL STATE GOALS AND REPORTS OF PROGRESS.—

(A) ASSESSMENTS AND ESTIMATES.—The State plan shall—

(i) include the results of a comprehensive, statewide assessment, jointly conducted by the designated State unit and the State Rehabilitation Council (if the State has such a Council) every 3 years, describing the rehabilitation needs of individuals with disabilities residing within the State, particularly the vocational rehabilitation services needs of—

(I) individuals with the most significant disabilities, including their need for supported employment services;

(II) individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation program carried out under this title;

(III) individuals with disabilities served through other components of the statewide workforce development system (other than the vocational rehabilitation program), as identified by such individuals and personnel assisting such individuals through the components; and

(IV) youth with disabilities, and students with disabilities, including their need for pre-employment transition services or other transition services;

(ii) include an assessment of the needs of individuals with disabilities for transition services and pre-employment transition services, and the extent to which such services provided under this Act are coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) in order to meet the needs of individuals with disabilities.

(iii) include an assessment of the need to establish, develop, or improve community rehabilitation programs within the State; and

(iv) provide that the State shall submit to the Commissioner a report containing information regarding updates to the assessments, for any year in which the State updates the assessments.

(B) ANNUAL ESTIMATES.—The State plan shall include, and shall provide that the State shall annually submit a report to the Commissioner that includes, State estimates of—

(i) the number of individuals in the State who are eligible for services under this title;

(ii) the number of such individuals who will receive services provided with funds provided under part B and under title VI, including, if the designated State agency uses an order of selection in accordance with paragraph (5), estimates of the number of individuals to be served under each priority category within the order;

(iii) the number of individuals who are eligible for services under this title, but are not receiving such services due to an order of selection; and

(iv) the costs of the services described in clause (i), including, if the designated State agency uses an order of selection in accordance with paragraph (5), the service costs for each priority category within the order.

(C) GOALS AND PRIORITIES.—

(i) IN GENERAL.—The State plan shall identify the goals and priorities of the State in carrying out the program. The goals and priorities shall be jointly developed, agreed to, and reviewed annually by the designated State unit and the State Rehabilitation Council, if the State has such a Council. Any revisions to the goals and priorities shall be jointly agreed to by the designated State unit and the State Rehabilitation Council, if the State has such a Council. The State plan shall provide that the State shall submit to the Commissioner a report containing information regarding revisions in the goals and priorities, for any year in which the State revises the goals and priorities.

(ii) BASIS.—The State goals and priorities shall be based on an analysis of—

(I) the comprehensive assessment described in subparagraph (A), including any updates to the assessment;

(II) the performance of the State on the standards and indicators established under section 106; and

(III) other available information on the operation and the effectiveness of the vocational rehabilitation program carried out in the State, including any reports received from the State Rehabilitation Council, under section 105(c) and the find-

ings and recommendations from monitoring activities conducted under section 107.

(iii) SERVICE AND OUTCOME GOALS FOR CATEGORIES IN ORDER OF SELECTION.—If the designated State agency uses an order of selection in accordance with paragraph (5), the State shall also identify in the State plan service and outcome goals and the time within which these goals may be achieved for individuals in each priority category within the order.

(D) STRATEGIES.—The State plan shall contain a description of the strategies the State will use to address the needs identified in the assessment conducted under subparagraph (A) and achieve the goals and priorities identified in subparagraph (C), including—

(i) the methods to be used to expand and improve services to individuals with disabilities, including how a broad range of assistive technology services and assistive technology devices will be provided to such individuals at each stage of the rehabilitation process and how such services and devices will be provided to such individuals on a statewide basis;

(ii) outreach procedures to identify and serve individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation program;

(iii) the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to postsecondary life (including the receipt of vocational rehabilitation services under this title, postsecondary education, employment, and pre-employment transition services);

(iv) where necessary, the plan of the State for establishing, developing, or improving community rehabilitation programs;

(v) strategies to improve the performance of the State with respect to the evaluation standards and performance indicators established pursuant to section 106; and

(vi) strategies for assisting entities carrying out other components of the statewide workforce development system (other than the vocational rehabilitation program) in assisting individuals with disabilities.

(E) EVALUATION AND REPORTS OF PROGRESS.—The State plan shall—

(i) include the results of an evaluation of the effectiveness of the vocational rehabilitation program, and a joint report by the designated State unit and the State Rehabilitation Council, if the State has such a Council, to the Commissioner on the progress made in improving the effectiveness from the previous year, which evaluation and report shall include—

(I) an evaluation of the extent to which the goals identified in subparagraph (C) were achieved;

(II) a description of strategies that contributed to achieving the goals;

(III) to the extent to which the goals were not achieved, a description of the factors that impeded that achievement; and

(IV) an assessment of the performance of the State on the standards and indicators established pursuant to section 106; and

(ii) provide that the designated State unit and the State Rehabilitation Council, if the State has such a Council, shall jointly submit to the Commissioner an annual report that contains the information described in clause (i).

(16) PUBLIC COMMENT.—The State plan shall—

(A) provide that the designated State agency, prior to the adoption of any policies or procedures governing the provision of vocational rehabilitation services under the State plan (including making any amendment to such policies and procedures), shall conduct public meetings throughout the State, after providing adequate notice of the meetings, to provide the public, including individuals with disabilities, an opportunity to comment on the policies or procedures, and actively consult with the Director of the client assistance program carried out under section 112, and, as appropriate, Indian tribes, tribal organizations, and Native Hawaiian organizations on the policies or procedures; and

(B) provide that the designated State agency (or each designated State agency if two agencies are designated) and any sole agency administering the plan in a political subdivision of the State, shall take into account, in connection with matters of general policy arising in the administration of the plan, the views of—

(i) individuals and groups of individuals who are recipients of vocational rehabilitation services, or in appropriate cases, the individuals' representatives;

(ii) personnel working in programs that provide vocational rehabilitation services to individuals with disabilities;

(iii) providers of vocational rehabilitation services to individuals with disabilities;

(iv) the director of the client assistance program; and

(v) the State Rehabilitation Council, if the State has such a Council.

(17) USE OF FUNDS FOR CONSTRUCTION OF FACILITIES.—The State plan shall provide that if, under special circumstances, the State plan includes provisions for the construction of facilities for community rehabilitation programs—

(A) the Federal share of the cost of construction for the facilities for a fiscal year will not exceed an amount equal

to 10 percent of the State's allotment under section 110 for such year;

(B) the provisions of section 306 (as in effect on the day before the date of enactment of the Rehabilitation Act Amendments of 1998) shall be applicable to such construction and such provisions shall be deemed to apply to such construction; and

(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of facilities for community rehabilitation programs) because the plan includes such provisions for construction.

(18) INNOVATION AND EXPANSION ACTIVITIES.—The State plan shall—

(A) include an assurance that the State will reserve and use a portion of the funds allotted to the State under section 110—

(i) for the development and implementation of innovative approaches to expand and improve the provision of vocational rehabilitation services to individuals with disabilities under this title, particularly individuals with the most significant disabilities, consistent with the findings of the statewide assessment and goals and priorities of the State as described in paragraph (15); and

(ii) to support the funding of—

(I) the State Rehabilitation Council, if the State has such a Council, consistent with the plan prepared under section 105(d)(1); and

(II) the Statewide Independent Living Council, consistent with the plan prepared under section 705(e)(1);

(B) include a description of how the reserved funds will be utilized; and

(C) provide that the State shall submit to the Commissioner an annual report containing a description of how the reserved funds were utilized during the preceding year.

(19) CHOICE.—The State plan shall include an assurance that applicants and eligible individuals or, as appropriate, the applicants' representatives or individuals' representatives, will be provided information and support services to assist the applicants and individuals in exercising informed choice throughout the rehabilitation process, consistent with the provisions of section 102(d).

(20) INFORMATION AND REFERRAL SERVICES.—

(A) IN GENERAL.—The State plan shall include an assurance that the designated State agency will implement an information and referral system adequate to ensure that individuals with disabilities will be provided accurate vocational rehabilitation information and guidance, using appropriate modes of communication, to assist such individuals in preparing for, securing, retaining, or regaining employment, and will be appropriately referred to Federal

and State programs (other than the vocational rehabilitation program carried out under this title), including other components of the statewide workforce development system in the State.

(B) REFERRALS.—An appropriate referral made through the system shall—

(i) be to the Federal or State programs, including programs carried out by other components of the statewide workforce development system in the State, best suited to address the specific employment needs of an individual with a disability; and

(ii) include, for each of these programs, provision to the individual of—

(I) a notice of the referral by the designated State agency to the agency carrying out the program;

(II) information identifying a specific point of contact within the agency carrying out the program; and

(III) information and advice regarding the most suitable services to assist the individual to prepare for, secure, retain, or regain employment.

(21) STATE INDEPENDENT CONSUMER-CONTROLLED COMMISSION; STATE REHABILITATION COUNCIL.—

(A) COMMISSION OR COUNCIL.—The State plan shall provide that either—

(i) the designated State agency is an independent commission that—

(I) is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State;

(II) is consumer-controlled by persons who—

(aa) are individuals with physical or mental impairments that substantially limit major life activities; and

(bb) represent individuals with a broad range of disabilities, unless the designated State unit under the direction of the commission is the State agency for individuals who are blind;

(III) includes family members, advocates, or other representatives, of individuals with mental impairments; and

(IV) undertakes the functions set forth in section 105(c)(4); or

(ii) the State has established a State Rehabilitation Council that meets the criteria set forth in section 105 and the designated State unit—

(I) in accordance with paragraph (15), jointly develops, agrees to, and reviews annually State goals and priorities, and jointly submits annual reports of progress with the Council;

(II) regularly consults with the Council regarding the development, implementation, and revision of State policies and procedures of general ap-

plicability pertaining to the provision of vocational rehabilitation services;

(III) includes in the State plan and in any revision to the State plan, a summary of input provided by the Council, including recommendations from the annual report of the Council described in section 105(c)(5), the review and analysis of consumer satisfaction described in section 105(c)(4), and other reports prepared by the Council, and the response of the designated State unit to such input and recommendations, including explanations for rejecting any input or recommendation; and

(IV) transmits to the Council—

(aa) all plans, reports, and other information required under this title to be submitted to the Secretary;

(bb) all policies, and information on all practices and procedures, of general applicability provided to or used by rehabilitation personnel in carrying out this title; and

(cc) copies of due process hearing decisions issued under this title, which shall be transmitted in such a manner as to ensure that the identity of the participants in the hearings is kept confidential.

(B) MORE THAN ONE DESIGNATED STATE AGENCY.—In the case of a State that, under section 101(a)(2), designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind (or to supervise the administration of such part by a local agency) and designates a separate State agency to administer the rest of the State plan, the State shall either establish a State Rehabilitation Council for each of the two agencies that does not meet the requirements in subparagraph (A)(i), or establish one State Rehabilitation Council for both agencies if neither agency meets the requirements of subparagraph (A)(i).

(22) SUPPORTED EMPLOYMENT STATE PLAN SUPPLEMENT.—The State plan shall include an assurance that the State has an acceptable plan for carrying out title VI, including the use of funds under that part to supplement funds made available under part B of this title to pay for the cost of services leading to supported employment.

(23) ANNUAL UPDATES.—The plan shall include an assurance that the State will submit to the Commissioner reports containing annual updates of the information required under paragraph (7) (relating to a comprehensive system of personnel development) and any other updates of the information required under this section that are requested by the Commissioner, and annual reports as provided in paragraphs (15) (relating to assessments, estimates, goals and priorities, and reports of progress) and (18) (relating to innovation and expansion), at such time and in such manner as the Secretary may determine to be appropriate.

(24) CERTAIN CONTRACTS AND COOPERATIVE AGREEMENTS.—

(A) CONTRACTS WITH FOR-PROFIT ORGANIZATIONS.—The State plan shall provide that the designated State agency has the authority to enter into contracts with for-profit organizations for the purpose of providing, as vocational rehabilitation services, on-the-job training and related programs for individuals with disabilities under part A of title VI, upon a determination by such agency that such for-profit organizations are better qualified to provide such rehabilitation services than nonprofit agencies and organizations.

(B) COOPERATIVE AGREEMENTS WITH PRIVATE NONPROFIT ORGANIZATIONS.—The State plan shall describe the manner in which cooperative agreements with private nonprofit vocational rehabilitation service providers will be established.

(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan shall provide an assurance that, with respect to students with disabilities, the State—

(A) has developed and will implement—

(i) strategies to address the needs identified in the assessments described in paragraph (15); and

(ii) strategies to achieve the goals and priorities identified by the State, in accordance with paragraph (15), to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis; and

(B) has developed and will implement strategies to provide pre-employment transition services.

(26) JOB GROWTH AND DEVELOPMENT.—The State plan shall provide an assurance describing how the State will utilize initiatives involving in-demand industry sectors or occupations under sections 106(c) and 108 of the Workforce Innovation and Opportunity Act to increase competitive integrated employment opportunities for individuals with disabilities.

(b) SUBMISSION; APPROVAL; MODIFICATION.—The State plan for vocational rehabilitation services shall be subject to—

(1) subsection (c) of section 102 of the Workforce Innovation and Opportunity Act, in a case in which that plan is a portion of the unified State plan described in that section 102; and

(2) subsection (b), and paragraphs (1), (2), and (3) of subsection (c), of section 103 of such Act in a case in which that State plan for vocational rehabilitation services is a portion of the combined State plan described in that section 103.

(c) CONSTRUCTION.—Nothing in this part shall be construed to reduce the obligation under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) of a local educational agency or any other agency to provide or pay for any transition services that are also considered special education or related services and that are necessary for ensuring a free appropriate public education to children with disabilities within the State involved.

* * * * *



ACT OF MARCH 3, 1927

* * * * *

SEC. 3a. COTTON CLASSIFICATION SERVICES.

(a) **IN GENERAL.**—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall—

(1) make cotton classification services available to producers of cotton; and

(2) provide for the collection of classification fees from participating producers or agents that voluntarily agree to collect and remit the fees on behalf of producers.

(b) **FEES.**—

(1) **USE OF FEES.**—Classification fees collected under subsection (a)(2) and the proceeds from the sales of samples submitted under this section shall, to the maximum extent practicable, be used to pay the cost of the services provided under this section, including administrative and supervisory costs.

(2) **ANNOUNCEMENT OF FEES.**—The Secretary shall announce a uniform classification fee and any applicable surcharge for classification services not later than June 1 of the year in which the fee applies.

(c) **CONSULTATION.**—

(1) **IN GENERAL.**—In establishing the amount of fees under this section, the Secretary shall consult with representatives of the United States cotton industry.

(2) **EXEMPTION.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations with representatives of the United States cotton industry under this section.

(d) **CREDITING OF FEES.**—Any fees collected under this section and under section 3d, late payment penalties, the proceeds from the sales of samples, and interest earned from the investment of such funds shall—

(1) be credited to the current appropriation account that incurs the cost of services provided under this section and section 3d; and

(2) remain available without fiscal year limitation to pay the expenses of the Secretary in providing those services.

(e) **INVESTMENT OF FUNDS.**—Funds described in subsection (d) may be invested—

(1) by the Secretary in insured or fully collateralized, interest-bearing accounts; or

(2) at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments.

(f) **LEASE AGREEMENTS.**—Notwithstanding any other provision of law, the Secretary may enter into long-term lease agreements that exceed 5 years or may take title to property (including through purchase agreements) for the purpose of obtaining offices to be used for the classification of cotton in accordance with this Act, if the Secretary determines that action would best effectuate the purposes of this Act.

(g) **HIRING AUTHORITY.**—*Notwithstanding any other provision of law, employees hired to provide cotton classification services pursuant to this section may work up to 240 calendar days in a service year and may be rehired non-competitively every year in the same*

or a successor position if they meet performance and conduct expectations, as determined by the Secretary.

[(g)] (h) AUTHORIZATION OF APPROPRIATIONS.—To the extent that financing is not available from fees and the proceeds from the sales of samples, there are authorized to be appropriated such sums as are necessary to carry out this section.

* * * * *

ANIMAL WELFARE ACT

* * * * *

SEC. 30. PROHIBITION OF SLAUGHTER OF DOGS AND CATS FOR HUMAN CONSUMPTION.

(a) PROHIBITION.—No person may—

(1) knowingly slaughter a dog or cat for human consumption;

or

(2) knowingly ship, transport, move, deliver, receive, possess, purchase, sell, or donate—

(A) a dog or cat to be slaughtered for human consumption; or

(B) dog or cat parts for human consumption.

(b) PENALTY.—Any person who violates this section shall be subject to imprisonment for not more than 1 year, or a fine of not more than \$2,500, or both.

(c) SCOPE.—Subsection (a) shall apply only with respect to conduct in or affecting interstate or foreign commerce or within the special maritime and territorial jurisdiction of the United States.

(d) CONFLICT WITH STATE LAW.—This section shall not be construed to limit any State or local law or regulations protecting the welfare of animals or to prevent a State or local governing body from adopting and enforcing animal welfare laws and regulations that are more stringent than this section.

1464

K. MICHAEL CONAWAY, TEXAS
CHAIRMAN
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JOSEY C. ARBINGSTON, TEXAS

EXCHANGE OF LETTERS

U.S. House of Representatives
Committee on Agriculture
Room 1301, Longworth House Office Building
Washington, DC 20515-6001

(202) 225-2171

May 2, 2018

COLLIN C. PETERSON, MINNESOTA
RANKING MINORITY MEMBER
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JIMMY PANETTA, CALIFORNIA
DARREN SOTO, FLORIDA
LISA BLUMHART ROBINSON, DELAWARE

MATTHEW S. SCHEITZ
STAFF DIRECTOR
ANNE SIMMONS
MINORITY STAFF DIRECTOR

The Honorable Bill Shuster
Chairman, Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Shuster:

Thank you for your letter regarding H.R. 2, Agriculture and Nutrition Act of 2018. I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on Transportation and Infrastructure will forego action on the bill.

The Committee on Agriculture concurs in the mutual understanding that by foregoing consideration of the bill at this time, the Committee on Transportation and Infrastructure does not waive any jurisdiction over the subject matter contained in this bill or similar legislation in the future. In addition, should a conference on this bill be necessary, I would support your request to have the Committee on Transportation and Infrastructure represented on the conference committee.

I will insert copies of this exchange in the *Congressional Record* during Floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work the Committee on Transportation and Infrastructure as this bill moves through the legislative process.

Sincerely,



K. Michael Conaway
Chairman

cc: The Honorable Peter A. DeFazio
The Honorable Collin Peterson
The Honorable Paul Ryan, Speaker
Mr. Thomas J. Wickham Jr., Parliamentarian

1465



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Washington, DC 20515

Bill Shuster
Chairman

Peter A. DeFazio
Ranking Member

Christopher W. Vieson, Staff Director

May 2, 2018

Katherine W. Dedrick, Democratic Staff Director

The Honorable K. Michael Conaway
Chairman
Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

I write concerning H.R. 2, the *Agriculture and Nutrition Act of 2018*. This legislation includes matters that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

I recognize and appreciate your desire to bring this legislation before the House of Representatives in an expeditious manner, and accordingly, the Committee on Transportation and Infrastructure will forego action on the bill. However, this is conditional on our mutual understanding that foregoing consideration of the bill does not prejudice the Committee with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation that fall within the Committee's Rule X jurisdiction. Lastly, should a conference on the bill be necessary, I request your support for the appointment of conferees from the Committee on Transportation and Infrastructure during any House-Senate conference convened on this or related legislation.

I would ask that a copy of this letter and your response acknowledging our jurisdictional interest as well as the mutually agreed upon changes to be incorporated into the bill be included in the Congressional Record during consideration of the measure on the House floor, to memorialize our understanding.

I look forward to working with the Committee on Agriculture as the bill moves through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Bill Shuster".

Bill Shuster
Chairman

1466

cc: The Honorable Paul D. Ryan
The Honorable Peter A. DeFazio
The Honorable Collin Peterson
The Honorable Thomas J. Wickham, Jr., Parliamentarian

1467

BOB GOODLATTE, Virginia
CHAIRMAN

JERROLD NADLER, New York
RANKING MEMBER

U.S. House of Representatives
Committee on the Judiciary
Washington, DC 20515-6216
One Hundred Fifteenth Congress

May 1, 2018

The Honorable K. Michael Conaway
Chairman
Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

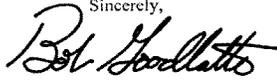
Dear Chairman Conaway,

I write with respect to H.R. 2, the "Agriculture and Nutrition Act of 2018." As a result of your having consulted with us on provisions within H.R. 2 that fall within the Rule X jurisdiction of the Committee on the Judiciary, I forego any further consideration of this bill so that it may proceed expeditiously to the House floor for consideration.

The Judiciary Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 2 at this time, we do not waive any jurisdiction over subject matter contained in this or similar legislation and that our committee will be appropriately consulted and involved as this bill or similar legislation moves forward so that we may address any remaining issues in our jurisdiction. Our committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation and asks that you support any such request.

I would appreciate a response to this letter confirming this understanding with respect to H.R. 2 and would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during floor consideration of H.R. 2.

Sincerely,



Bob Goodlatte
Chairman

cc: The Honorable Jerry Nadler
The Honorable Collin Peterson
The Honorable Paul Ryan, Speaker
The Honorable Thomas Wickham, Jr., Parliamentarian

K. MICHAEL CONAWAY, TEXAS,
 CHAIRMAN
 GLEN F. HOBBS, PENNSYLVANIA,
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U.S. House of Representatives
 Committee on Agriculture
 Room 1301, Longworth House Office Building
 Washington, DC 20515-6001

(202) 225-2171

May 1, 2018

COLLIN C. PETERSON, MINNESOTA
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MATTHEW S. SCHWETZ,
 STAFF DIRECTOR
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The Honorable Bob Goodlatte
 Chairman, Committee on the Judiciary
 2138 Rayburn House Office Building
 Washington, D.C. 20515

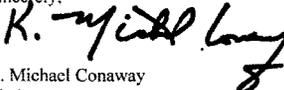
Dear Chairman Goodlatte:

Thank you for your letter regarding H.R. 2. I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on the Judiciary will forego action on the bill.

The Committee on Agriculture concurs in the mutual understanding that by foregoing consideration of the bill at this time, the Committee on the Judiciary does not waive any jurisdiction over the subject matter contained in this bill or similar legislation in the future. In addition, should a conference on this bill be necessary, I would support your request to have the Committee on the Judiciary represented on the conference committee.

I will insert copies of this exchange in the *Congressional Record* during Floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work the Committee on the Judiciary as this bill moves through the legislative process.

Sincerely,


 K. Michael Conaway
 Chairman

cc: The Honorable Jerry Nadler
 The Honorable Collin Peterson
 The Honorable Paul Ryan, Speaker
 Mr. Thomas J. Wickham Jr., Parliamentarian

1469



COMMITTEE ON EDUCATION
AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES
2176 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6100

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ADRIANO ESPALLAT, NEW YORK

May 2, 2018

The Honorable K. Michael Conaway
Chairman, Committee on Agriculture
U.S. House of Representatives
1301 Longworth House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I write to confirm our mutual understanding with respect to H.R. 2, the *Agriculture and Nutrition Act of 2018*. Thank you for consulting with the Committee on Education and the Workforce with regard to H.R. 2 on those matters within my committee's jurisdiction, including provisions relating to workplace safety, work requirements, and child nutrition.

The Committee on Education and the Workforce will not delay further consideration of this bill. However, I do so only with the understanding this procedural route will not be construed to prejudice my committee's jurisdictional interest and prerogatives on this bill or any other similar legislation and will not be considered as precedent for consideration of matters of jurisdictional interest to my committee in the future.

I respectfully request your support for the appointment of outside conferees from the Committee on Education and the Workforce should this bill or a similar bill be considered in a conference with the Senate. I also request you include our exchange of letters on this matter in the Committee Report for H.R. 2. Thank you for your attention to these matters.

Sincerely,


Virginia Foxx
Chairwoman

CC: The Honorable Paul Ryan
The Honorable Bobby Scott
The Honorable Collin Peterson
Mr. Tom Wickham

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U.S. House of Representatives
 Committee on Agriculture
 Room 1301, Longworth House Office Building
 Washington, DC 20515-6001

(202) 225-2171

May 2, 2018

CAROLYN C. PEPPERSON, MINNESOTA
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MATTHEW S. SCHERTZ
 STAFF DIRECTOR
 ANNE SUGMANS
 MINORITY STAFF DIRECTOR

The Honorable Virginia Foxx
 Chairwoman, Committee on Education and Workforce
 2176 Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairwoman Foxx:

Thank you for your letter regarding H.R. 2, Agriculture and Nutrition Act of 2018. I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on Education and Workforce will forego action on the bill.

The Committee on Agriculture concurs in the mutual understanding that by foregoing consideration of the bill at this time, the Committee on Education and Workforce does not waive any jurisdiction over the subject matter contained in this bill or similar legislation in the future. In addition, should a conference on this bill be necessary, I would support your request to have the Committee on Education and Workforce represented on the conference committee.

I will insert copies of this exchange in the *Congressional Record* during Floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work the Committee on Education and Workforce as this bill moves through the legislative process.

Sincerely,


 K. Michael Conaway
 Chairman

cc: The Honorable Robert "Bobby" Scott
 The Honorable Collin Peterson
 The Honorable Paul Ryan, Speaker
 Mr. Thomas J. Wickham Jr., Parliamentarian

K. MICHAEL CONAWAY, TEXAS
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U.S. House of Representatives
Committee on Agriculture
 Room 1301, Longworth House Office Building
 Washington, DC 20515-6001

(202) 225-2171

April 30, 2018

COLLA, C. PETERSON, MINNESOTA
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 LISA BLUMFELT ROBINSON, DELAWARE

MATTHEW S. SCHERTZ,
 STAFF DIRECTOR
 ANNE SIMMONS,
 MINORITY STAFF DIRECTOR

The Honorable Rob Bishop
 Chairman, Committee on Natural Resources
 1324 Longworth House Office Building
 Washington, D.C. 20515

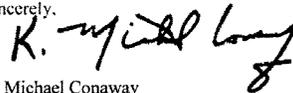
Dear Chairman Bishop:

I appreciate your support in bringing this legislation before the House of Representatives, and accordingly, understand that the Committee on Natural Resources will forego action on the bill.

The Committee on Agriculture concurs in the mutual understanding that by foregoing consideration of the bill at this time, the Committee on Natural Resources does not waive any jurisdiction over the subject matter contained in this bill or similar legislation in the future. In addition, should a conference on this bill be necessary, I would support your request to have the Committee on Natural Resources represented on the conference committee.

I will insert copies of this exchange in the *Congressional Record* during Floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work the Committee on Natural Resources as this bill moves through the legislative process.

Sincerely,



K. Michael Conaway
 Chairman

cc: The Honorable Raúl Grijalva
 The Honorable Collin Peterson
 The Honorable Paul Ryan, Speaker
 Mr. Thomas J. Wickham Jr., Parliamentarian

1472

ROB BISHOP OF UTAH
CHAIRMAN

CODY STEWART
STAFF DIRECTOR

RAUL GRIJALVA OF ARIZONA
RANKING MEMBER

DAVID WATKINS
DEMOCRATIC STAFF DIRECTOR

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

April 30, 2018

The Honorable K. Michael Conaway
Chairman
Committee on Agriculture
1301 Longworth House Office Building
Washington, D.C. 20515

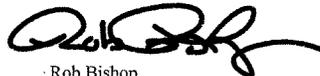
Dear Mr. Chairman:

I have received your letter regarding H.R. 2, the Agriculture and Nutrition Act of 2018, which contains provisions within the jurisdiction of the Committee on Natural Resources.

In the interest of permitting you to proceed expeditiously to floor consideration of this very important bill, I will not seek a referral of H.R. 2. I do so with the understanding that the Natural Resources Committee does not waive any future jurisdictional claim over the subject matter contained in the bill that fall within its Rule X jurisdiction. Further, I appreciate the work between our committees on forest management and look forward to working with you to build upon the important provisions within Title VIII of the bill as it moves through the legislative process. I also appreciate your support to name members of the Natural Resources Committee to any conference committee to consider such provisions and for inserting our exchange of letters on H.R. 2 into the Congressional Record during consideration of the measure on the House floor.

Congratulations on marshalling this monumental achievement through committee, and thank you again for the very cooperative spirit in which you and your staff have worked regarding this matter and many others between our respective committees.

Sincerely,



Rob Bishop
Chairman

cc: The Honorable Paul D. Ryan
The Honorable Kevin McCarthy
The Honorable Raul M. Grijalva
The Honorable Thomas J. Wickham, Jr.

DISSENTING VIEWS

The Agriculture and Nutrition Act, H.R. 2, threatens millions of rural and urban Americans, particularly those who rely on our farm and food programs most. The Majority's ideology driven reforms to nutrition assistance programs under the guise of a commitment to human dignity will ultimately leave nearly two million current beneficiaries without money to buy groceries. The exclusion of improvements to farm programs leaves agricultural producers vulnerable to market access and price volatility without an effective farm safety net. Most alarming however, is the manner in which H.R. 2 was written and negotiated. This farm bill has destabilized the historic common ground on which the Committee withstood over a century of sea change in favor of leadership driven politics and perception based policies.

The Majority would have the public believe that this bill was a bipartisan effort. It was not. Regrettably, Minority priorities were included only when convenient, and cast aside when not. House Agriculture Committee Democrats cannot support legislation that needlessly compromises Americans' ability to feed themselves and farm. Nor can we support a process that undermines our power to protect their ability to eat, farm, ranch and support their families. Committee Democrats were pushed away from the bargaining table by the inclusion of ideology that we repeatedly warned the Majority we could not support. Therefore, Committee Democrats unanimously and vehemently opposed H.R. 2 at the markup. Partisan Reforms to the Supplemental Nutrition Assistance Program

As Chairman Conaway is fond of pointing out, our Committee held 23 hearings on SNAP. We supported the Chairman's in-depth review of the program; even asking for an additional hearing to better understand the unique characteristics of the able bodied adults without dependents (ABAWDS), which never occurred. Over the course of those hearings, we learned that SNAP isn't a perfect program and heard ideas to improve it. None of those ideas included the creation of new mandatory state government bureaucracies for employment and training programs. None of the 89 witnesses we heard from testified that we should eliminate categorical eligibility for SNAP benefits to pay for it.

We agree with the Chairman that work is important. We support policies to empower those in poverty to lift themselves up by providing them opportunity and training to find and keep jobs. In the 2014 farm bill, we created 10 pilot programs for conducting work employment and training in conjunction with SNAP. Ensuring wise use of taxpayers' dollars requires us to give those pilot programs time to be evaluated before we embark on the nationwide experiment the Chairman demands in his bill.

SNAP provides a way for our lowest income people in this country to afford food. It isn't a workforce training program, and USDA isn't an employment agency. Nevertheless, the Chairman's bill would require SNAP recipients to either work 20 hours a week, or train 20 hours a week within an entirely new, state-run bureaucracy in order to obtain the average monthly benefit of \$135 dollars. In his reckoning, some recipients will simply get fed-up with those demands and "self-select" out of the program. When the CBO did the math, they estimated roughly 1.5 million people will lose benefits as a result of this policy of "attrition through administration."

The Chairman's bill doesn't just cut people from SNAP through his misguided "work" regime; it kicks people off SNAP by eliminating states' flexibility to link social service programs and creating administrative burdens to utilization of the program and getting employment. It takes school breakfast and lunch from kids. It severs the link between SNAP and low-income heating assistance.

The Chairman's bill also spends twice as much money as it saves by forcing states to go after child support. Of course parents should pay child support, but throwing all this money at the issue—over \$7 billion dollars—to recoup less than half that amount is a waste of taxpayer's dollars.

After the worst recession since the Great Depression, our safety net provided support for those who needed it, expanding to meet a desperate need. The provisions in this bill would make such a response much more difficult should the need arise again.

Inadequate support for Agriculture in a time of need

The Agriculture and Nutrition Act fails American farmers and ranchers already suffering from low prices, high input costs, and market uncertainty and distortion. While average farm income is at its lowest ebb since the Great Depression, this bill reauthorizes support at present levels. It does nothing to address the lack of an adequate safety net, which we've heard the need for over the last three years. In addition to the troubled farm economy, the budding trade war with China, NAFTA renegotiation, withdrawal from TPP, and the Trump Administration's repeated attacks on the Renewable Fuels Standard demonstrate the imperative of strengthening farm programs.

This farm bill does not improve conditions in the current agriculture economy. Instead of raising reference prices to address the 52 percent decline in farm income, the Committee Majority did the opposite. This bill authorizes new assistance only when commodity prices increase and adjusted support only for selected crops.

As the effects of the Administration's trade policy continue to wreak havoc with commodity markets, we believe the focus should be on boosting support levels for farm bill programs, rather than an inadequate, scattershot, one-time bailout.

The potential devastation H.R. 2 imposes on American farmers and ranchers is not solely economic. This partisan bill and process have splintered the national farm bill coalition and opened the door to farm program opponents driven by ideology. Politically emboldened by a weakened agricultural community, proponents of the more radical cuts and reforms will now have a realistic chance of succeeding.

Imprudent changes to pesticide registration process

This bill makes a problematic pesticide registration process worse, assures continued divisiveness and litigation between the pesticide manufacturing and nongovernmental organizations, and potentially increases the permissible takings of endangered species, fish and wildlife. Specifically, H.R. 2 removes the statutory requirement that the Environmental Protection Agency (EPA) consult with expert wildlife services in pesticide registration determinations, and perniciously curtails legal remedies by excluding plaintiffs from challenging EPA's failure to consult and limiting remedies in existing cases.

The Endangered Species Act was implemented specifically to protect and recover imperiled species and their ecosystems. Section 7 of the Endangered Species Act, which requires action agencies to consult with the expert wildlife services, reflects Congress' recognition that action agencies like EPA are self-interested in minimizing the effects of their desired activities on endangered species. By granting the EPA sole discretion regarding the effect a pesticide will have on endangered and threatened species, the heart of Section 7 is eviscerated. Further, the Administration has just embarked on an interagency process, with support from the pesticide manufacturers, growers, and the environmental community, to identify and implement improvements in the administrative process for consultation on pesticides. This promises to substantially reduce delays and effort to complete consultations while fully protecting listed species. This provision ignores that process.

American agriculture can grow crops and protect endangered species; this provision forces a binary choice between producing crops and protecting creation.

A broken process

There was a time when the Agriculture Committee created farm bills by building consensus among Committee members before introduction of legislative text. The development of this legislation bears no resemblance to that process. It is each chairman's prerogative to conduct this process however he or she sees fit. This Chairman chose to develop this legislation himself and dictate each step in its path to introduction. The ultimate result of this bill should provide an example to future chairmen or women on the type of process to avoid.

Historically, a broad coalition supports the farm bill every five years. This coalition encompasses the breadth of America, from urban centers to the rural countryside. This Chairman's decision to advocate an extreme partisan agenda in title four of the bill has undercut the farm bill's historical coalition, and endangered the future legislative efforts of this Committee.

Conclusion

We serve on the House Agriculture Committee because we care about American farmers and ranchers and the rural communities they support and sustain. We serve on this Committee because we are committed to providing a robust safety net for the most vulnerable citizens in this country. We know that our colleagues share these values and we are proud that our Committee has historically

provided the model of bipartisanship for so many other committees in this House. So, when we received the Chairman's bill, with its partisan attack on SNAP participants and its neglect of farmers and ranchers facing a difficult political and economic reality, we were severely disappointed. Therefore, the House Committee on Agriculture Minority vehemently and unanimously opposed the Agriculture and Nutrition Act at markup. For all of the reasons discussed in these Dissenting Views, our Committee should not have voted to report this legislation to the House. If it ever reaches the House Floor, all Members should reject it.

Sincerely,

COLLIN C. PETERSON.
DAVID SCOTT.
JIM COSTA.
TIMOTHY J. WALZ.
MARCIA L. FUDGE.
JAMES P. MCGOVERN.
FILEMON VELA.
MICHELLE LUJAN GRISHAM.
ANN MCLANE KUSTER.
RICK NOLAN.
CHERI BUSTOS.
SEAN PATRICK MALONEY.
STACEY PLASKETT.
ALMA ADAMS.
DWIGHT EVANS.
AL LAWSON.
TOM O'HALLERAN.
JIMMY PANETTA.
DARREN SOTO.
LISA BLUNT ROCHESTER.

DISSENTING VIEWS OF MR. WALZ

As representative of the ninth largest agricultural-producing district in the nation, I came to Congress, in part, to help write Farm Bills. I came to work together with my colleagues on both sides of the aisle. However, H.R. 2 is an ideological bill that lacked bipartisan support, failed to go through the regular committee process, and abandoned our farmers, consumers, veterans, and children in this process.

Instead of supporting farmers' conservation efforts by enhancing programs like the Conservation Stewardship Program (CSP) and the Environmental Quality Incentives Program (EQIP) as my SOIL Stewardship Act would do, H.R. 2 would cut working lands programs and eliminate CSP. Instead of doing all they can to help facilitate the transfer of skills, knowledge and land between current and future generations of producers as my Beginning Farmer and Rancher Opportunity Act would do, Republicans failed to scale up and permanently reauthorize the Beginning Farmer and Rancher Development Program. Perhaps most indefensibly, instead of strengthening and making commonsense improvements to the Supplemental Nutrition Assistance Program (SNAP)—the most effective anti-hunger program in U.S. history and a source of economic vitality in southern Minnesota—Republicans voted to risk creating barriers to access for veterans and children who rely on the program, which helps keep 16,000 veterans from going to bed hungry in Minnesota alone.

Conservation

The Agriculture and Nutrition Act, H.R. 2, threatens the ability of our farmers and ranchers to be leading stewards of the land. The bill proposes to cut nearly \$1 billion in Conservation Title funding over the next ten years and completely eliminates the Conservation Stewardship Program (CSP). Conservation programs are continually oversubscribed, and thus the Majority's proposal to overhaul the Conservation Title would significantly hamstring farmers' abilities to meet stewardship goals and, in turn, would limit the viability and profitability of their operations.

Within the Conservation Title of H.R. 2, of most significant concern is the elimination of CSP, which is not only the largest conservation program in the country, but it is also the only program that takes a comprehensive approach to conservation. While the Chairman claims that the bill proposes to retain the best parts of CSP within an expanded Environmental Quality Incentives Program (EQIP), this is simply untrue. Not only does H.R. 2 eliminate all the core components of CSP (a comprehensive approach to conservation that considers the entire operation, an emphasis on environmental stewardship to be eligible, and incentives for advanced conservation activities), but, in claiming to fold CSP into EQIP, the

Majority proposal actually cuts working lands funding for EQIP and CSP combined by nearly \$5 billion over 10 years. Furthermore, by moving other CSP funding to smaller programs without baseline, the Chairman's proposal eliminates nearly \$1.5 billion in conservation baseline spending that would be available in the future.

We've heard from farmers and ranchers that they utilize and depend upon the two largest working lands conservation programs—CSP and EQIP. While CSP and EQIP are both hugely important for the support they provide, they are separate programs for a reason; they each have unique roles to play in enhancing the sustainability of American agriculture. CSP helps producers implement advanced conservation, while EQIP is more of an “on ramp” to working lands conservation. For this reason, they absolutely must be kept separate, and we need to retain the key components of each program. While I agree that there are reforms we can make to ensure both programs are accessible, flexible, and coordinated, the solution to keeping these tools available is absolutely not to eliminate an entire program, as the Majority has proposed.

The cuts to the Conservation Title and the complete elimination of CSP within H.R. 2 are a reckless abandonment of the conservation tools and support that our farmers and ranchers across the country depend upon.

Beginning farmers and ranchers

To keep our agricultural economy strong, the next farm bill must facilitate the transfer of skills, knowledge, and land between current and future generations of farmers and ranchers. Sadly, however, the Chairman's bill falls far short of making the investments truly needed to ensure the success of the next generation of American farmers. Rather than address the fundamental barriers that new farmers face, this bill simply maintains the status quo across most titles. This is unacceptable and a disservice to the next generation who will be responsible for feeding our country and stewarding our natural resources for years to come.

The Chairman's proposal fails to take advantage of this rare opportunity to knock down the longstanding barriers to entry for future generations and fails to include any of the innovative ideas put forward by my *Beginning Farmer and Rancher Opportunity Act*, or the BFROA (H.R. 4316). As it stands, H.R. 2's solution to the crisis facing the next generation of farmers is to simply maintain the status quo and hope for the best.

Specific ways that this bill falls far short of achieving the reforms and investments that are truly needed to ensure the success of the next generation and ensure our future food security in this country include:

- H.R. 2 fails to address longstanding issues with the implementation of the advance payment option within EQIP.
- The bill raises loan limits on guaranteed loans to \$1.75 million to allow fewer loans to larger farms, reducing the total number of borrowers that can be served and leaving small and mid-sized farms with less access to credit. At the same time, the draft bill makes no changes to Direct Farm Ownership Loans which remain at \$300,000, despite the inability of many

small and beginning farmers to utilize these loans due to the rising costs of farmland.

- It fails to scale up and permanently reauthorize the Beginning Farmer and Rancher Development Program to ensure long-term support to train new farmers in every state across the country.

- Rather than make important changes to the Risk Management Education Partnership Program that would ensure that beginning and socially disadvantaged farmers better understand and utilize risk management tools, the draft bill completely eliminates this successful and popular program.

- Finally, H.R. 2 also fails to include the innovative proposal within BFROA that would make it easier for new farmers in their first 5 years of farming to access revenue-based crop insurance policies by allowing these farmers to obtain short-term coverage through the Farm Service Agency's Non-Insured Crop Disaster Assistance Program.

Make no mistake, we are facing a farmer shortage in America today, and, if we do not take the opportunity we have been given in this Farm Bill, we will face a crisis of epic proportions in the future.

Impact on veterans

In addition to the concerns raised in the minority dissenting views, I wanted to highlight the potentially negative impact of the Chairman's bill on our veterans. The Supplemental Nutrition Assistance Program (SNAP) is the most effective anti-hunger program in US history, and that includes helping keep many of our veterans from going hungry when they return home from war. According to the U.S. Census Bureau, Minnesota is home to an estimated 320,000 veterans. Of those 320,000, an estimated 16,000 receive SNAP benefits.

As a 24-year veteran of the Army national guard, I learned never to leave a fellow soldier behind. That's why I find the idea of a fellow veteran going hungry so offensive. Because one veteran being denied the basic human necessity of a meal is one too many, it is indefensible that the Chairman's bill risks creating barriers to access for veterans who rely on SNAP instead of strengthening and making commonsense improvements to the program.

Sincerely,

TIMOTHY J. WALZ.